THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Japan in Manchuria

By Thos. Ming-Heng Chao

Undermining America's Policy In China

By Thomas F. Millard

(Reprinted from Asia Magazine)

What Is the People's Revolution?

By C. Y. W. Meng

Will China Turn to Communism?

By Maxwell S. Stewart

Is Canton Planning Another Nationalist Government?

By J. B. P.

評論報 密勒氏

SATURDAY, NOVEMBER 5, 1927

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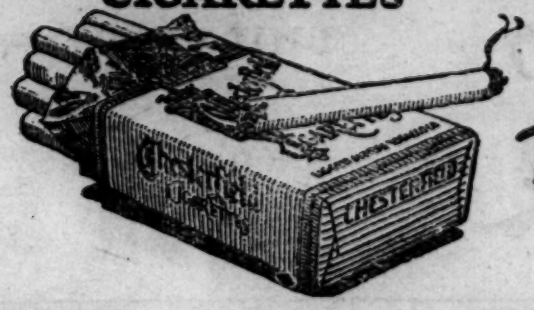

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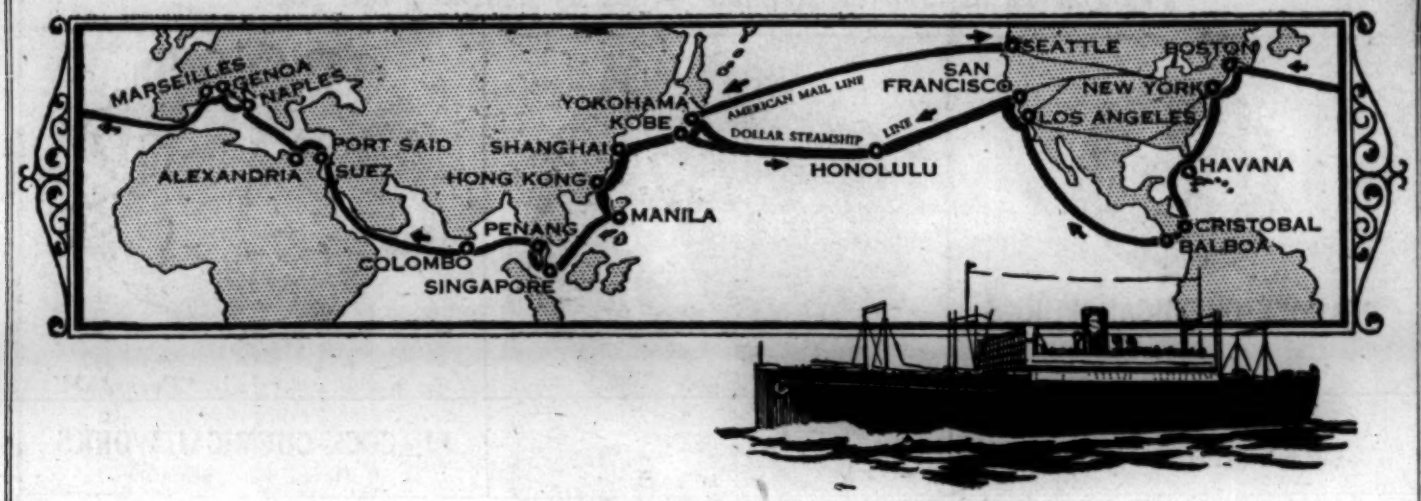

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Formerly Millard's Review

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J. B. POWELL, Editor and Publisher
LIZEN SCHENG, Advertising Manager

CONTRIBUTING EDITORS

HOLLINGTON K. TONG, KAN LEE (Nanking)
HIN WONG, (Canton) BRUNO SCHWARTZ (Hankow)
CHAS. A. DAILEY (Peking) WM. STEPHEN WANG (Tientsin)
H. P. SHASTRI SAMUEL H. CHANG (S'hai)
LAWRENCE IMPEY (Peking)

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CAPT. BARRETT'S EXPLANATION OF THE CRIME WAVE

CAPT. E. I. M. BARRETT, Commissioner of Police in the Shanghai International Settlement, according to an article appearing in the *Shanghai Times* on October 28 offers the following explanation for the crime wave which is prevailing in this city:

1—From a general standpoint, the crime situation is due to the military and political situation which has prevailed here since the advent of the latest political regime.

2—Instability of the government in Chinese territory adjacent to the foreign area, which has been changed as a result of revolutionary or other violent occurrences on more than a dozen occasions since the autumn of 1924.

3—These political changes have provided opportunity for the criminal fraternity to obtain revolvers and pistols and has resulted in additions to the ranks of the unemployed of large bands of men trained in the use of arms and inured to risking their lives.

4—Criminals and potential criminals have come under the influence of Bolshevik propaganda which has been conducted with the view of arousing the greed and covetousness of the proletarian classes, the destruction of all respect for property and rights of others.

5—The Chinese provisional code which is applied in the Provisional Court is intended for times of peace and not for abnormal times such as the present. This hampers the police because prisoners are not given sufficiently stringent sentences.

6—The territory around Shanghai for a radius of approximately fifty miles has been ravaged by armed marauders who have looted the villages and either murdered or kidnapped numbers of the inhabitants. So long as this condition exists, there is fear that conditions will remain unsatisfactory.

7—Communists, despite the efforts of the Chinese authorities, are continuing their activities and are trying by means of terrorism and propaganda to bring the workers in Shanghai entirely under their domination. This campaign manifests itself in assasinations and propaganda appeals to the workmen in local factories.

8—Recent strikes in the Shanghai district have affected a total of 17,227 employes resulting in a loss of 184,329 working days.

9—Armed robberies to the number of 120 occurred during the current month, while during the nine months period ending with September 30, the total reports of armed robberies numbered 810.

ACCORDING to the official report of the Shanghai Municipal Police for last year, 1926, there were 448 cases of armed robbery reported during the period, resulting in 295 persons being arrested. In the same report it was stated that there were only 4 cases of armed abduction in 1926 as compared with 20 cases reported in 1925. The number of arrests for armed abduction in 1926 was 50. The number of persons murdered in the Settlement in 1926 was 43, an increase from 34 in 1925

The number of prisoners in the Municipal jail increased from 2,066 in Jan. 1925 to 2,329 in Dec. 1926. Nine members of the Police department were murdered in 1926 according to the report. The following comparative table which appeared in the 1926 report shows the rapid increase in armed robberies since 1917:

	Reports of Armed Robberies Occurring in the Settlement.	*Total Number of Armed Robbers Arrested*	*Reports of Robberies Occurring in the Settlement in which Arms were used.*	*Total Number of Robbers Arrested.*
1917	100	171	19	14
1918	130	183	18	26
1919	68	140	15	29
1920	57	85	28	21
1921	94	128	12	29
1922	47	138	26	30
1923	109	221	31	34
1924	204	260	24	39
1925	349	605	27	31
1926	448	401	39	43

Capt. Barrett's report for last year also emphasized the political element as a cause for criminality in the Settlement, declaring that the Communist Party was responsible for causing local unrest and alleging that the Chinese newspapers, with few exceptions, "had no appreciation whatever of their responsibilities toward the public," due to their giving prominence to minor incidents which "placed foreigners in an unfavorable light" and printing garbled accounts of happenings with the same object. He also declared that the Chinese press "helped the extremist agitators by attributing to their activities a degree of importance out of all proportion to their achievements," and of their exaggeration of the attendance at political meetings and the "publication of fantastic accounts of speeches made and resolutions adopted."

WHILE THERE may be grounds for disputing Capt. Barrett's allegation that crime in the so-called International Settlement is due entirely to political conditions in the adjoining Chinese areas, there can be no disputing the fact that crime is actually on the increase in the Settlement. It is probably correct to state that property is less safe in the Settlement than anywhere else in Shanghai, for while figures are not available covering these points in the French Concession and the Chinese cities adjoining the Settlement, it is generally believed that conditions pertaining to criminality are not so serious there as prevail in the Settlement. One explanation for this which is frequently offered, is that most of the wealth of Shanghai is centered in the Settlement, but it is not correct to say that *all of the wealth* is concentrated in the Settlement or that all of the wealthy individuals reside in the Settlement. For example, the leading diamond and other precious stones and jewelry market in Shanghai is located in the Nantao section under purely Chinese police jurisdiction, while many of the wealthy Chinese residents of Shanghai live in the French Concession. The explanation for the crime situation prevailing in the Settlement cannot be based entirely upon the proposition that most of the wealth is concentrated in this section, for we do not believe that the criminal gentry is sufficiently intelligent to always be familiar with the boundaries which separate the International, French and Chinese area, since the areas are separated only by streets. Neither are we convinced that the explanation rests in the failure of the Provisional Court to inflict sufficiently severe sentences upon those who are arrested for we have always been given to understand that severity of sentence is not so much a crime deterrent as *certainty of punishment.* Furthermore we are not convinced that communism is the cause of the particular types of crimes which are most prevalent, otherwise, armed robberies and kidnappings. Communism may be responsible for industrial disorder and for crimes pertaining to industrial agitations such as the murder of foremen, and destruction of mill property but we cannot hold the Communists responsible when burglars loot a shop on Nanking Road or when kidnappers hold persons for ransom. Capt. Barrett's statement that "criminals and potential criminals are influenced by Bolshevik propaganda" sounds to us as a most foolish explanation for the crime situation, for we can't see how a robber or a murderer could be made a worse menace to society through Bolshevik propaganda, than he would be were he a liberal or conservative from the standpoint of political affiliations.

WHILE IT IS perfectly true that political and economic disorder which has prevailed in this section of China for several years has placed a greater burden upon the local police department, we believe that the real explanation for a considerable part of the crime situation is due more than anything else to the fact that the Shanghai Municipal Government has not been able to reorganize itself to meet the very conditions which the authorities complain about. Obviously a type of government organized a half century and more ago when Shanghai was a comparatively small city cannot be expected to function smoothly under conditions which prevail in the modern present-day metropolis of Shanghai, which rates as one of the greatest ports of the world but which is located in the center of a vast area affected by revolutionary changes. While some departments of the city have been modernized to meet changing conditions, such as the Electricity Department and the Fire Department, the Police Department, the most important of all, has never been modernized and is operated today in practically the same manner as it was in the days of the old Chinese Empire. The deadlock which exists in respect to the question of Chinese representation in the administration of the Settlement, also has an indirect effect upon the so-called crime situation through causing the Chinese generally to lose their respect for the municipal administration. In this connection it has even been alleged that certain Chinese criminal societies having political affiliations, have directed their activities toward the Settlement for the very purpose of discrediting the local administration. Whether this allegation is correct or not, there is no disputing the fact that whenever any large section of a community is not in harmony with the administration there is always trouble in enforcing order. This applies in municipalities as well as to the administration of a state or nation. The crime situation now prevailing in Shanghai is, in our opinion, only an outward manifestation of a deep-seated trouble which has its foundation in the antiquated form of government which prevails in the so-called International Settlement. Admiral McVay who commanded the American naval forces at Shanghai at the time of the May 30 troubles in 1925 made the statement in a public address here when he retired from this station, that Shanghai could not forever expect to depend upon foreign naval and marine protection. Specifically, he declared that the United States Government could not be expected to lend its naval and marine forces for the purpose of doing police work in Shanghai. That was a burden which the Shanghai municipality would have to shoulder itself, he declared. But despite this warning of more than two years ago, Shanghai has

done practically nothing in the direction of modernization or toward removal of the fundamental causes of Sino-foreign discord. The situation prevailing here, from the standpoint of local administration in the Settlement is the same as it was two years ago, five years ago, ten years ago, or even twenty-five years ago, while conditions in China and the world generally have changed tremendously. All of which points to the fact that the Powers, ultimately will be forced to take control arbitrarily and solve the problem in order to prevent a complete break-down of the local administration, with inevitable losses through depreciation of property interests in the Settlement area. Obviously some method must be worked out whereby the Settlement authorities can obtain the cooperation, instead of the animosities of the Chinese, and if the Settlement authorities cannot solve the problem then the Powers will be forced to step in and do it for them.

THE "COMPRADORIC" BRAND OF PUBLIC OPINION

A PROMINENT European visitor to Shanghai recently made the statement that foreign residents of this city were further away from a correct understanding of what is going on in China than are the people of America and Great Britain. The cause of this situation, the visitor explained, was due to the prevalence here of a so-called "compradoric" type of Chinese opinion which plays both ends against the middle for purely personal and selfish reasons. The word, "compradoric" it should be explained, is derived from the name *compradore* or Chinese agent through whom most foreign firms conduct their dealings in China. It is a deplorable fact that most foreign firms doing business in China depend almost entirely upon the compradore for their Chinese connections and opinions on questions pertaining to Chinese politics. He is the only Chinese they know intimately and since he stands between the foreign firm and its Chinese clientele, they grow to depend upon him for information pertaining to conditions in China. Since the compradore lives in the foreign settlement and depends for his livelihood upon his foreign connections, his opinion regarding vital questions of Chinese politics is naturally tempered by his foreign connections. Therefore, the information and advice which he gives the foreign manager of his firm cannot be relied upon, simply because it is tempered by self-interest. An American business man of our acquaintance recently declared that Chinese residents of Shanghai did not want the treaties pertaining to the foreign control of the Settlement revised, and in proof of this he cited the fact that several Chinese of his acquaintance had informed him to this effect. He was perfectly correct in his conclusions based upon the information which be possessed, but where he made a mistake was in accepting the opinion of his Chinese business acquaintances as genuine Chinese opinion. Americans who are familiar with the history of their own revolutionary period, know that there was a considerable section of public opinion in the Colonies which opposed the independence movement. This was particularly true in New York City where many prominent colonials, with business connections in England, opposed severance of relations with the home country. They were called *Tories* and for many years following the Revolution the term *tory* carried the stigma of treason to the cause of American independence. In many ways a like situation prevails here, witness the term, "running-dog of the foreign imperialist," and other phrases which carry a similar meaning to the Chinese mind. The thing which the foreigner here must protect himelf against is the acceptance of "compradoric opinion" as genuine Chinese opinion. Nothing could be more dangerous than to accept the opinions of the comparatively small number of foreignized Chinese in the Settlements, as their opinions count for less than nothing in the formation of Chinese public opinion on questions of fundamental policy from the standpoint of China's relations with other nations. In the final analysis, the opinions of Chinese in the Settlements even though they opposed treaty revision, which is questionable, can have little more effect upon the final outcome than had the opinions of the Tories in New York on the final outcome of the American Revolution.

LET'S EVERYBODY REVISE EVERYBODY'S TEXTBOOKS!

THE JAPANESE apparently are not going to let the British get away with this matter of revising the American school text-books, for we read in the *Osaka Mainichi* that the Osaka Chamber of Commerce has obtained the consent of the Japanese Foreign Office to a suggestion that Japan furnish some new data for a revision of the text books used in the public schools of California. We are not familiar with the information regarding Japan which appears in the school books used on the Pacific Coast, but apparently there is something therein contained which the Japanese do not like. According to an editorial on the subject in the *Mainichi* the information about Japan which appears in the American school books is all pre-war stuff; that there is nothing about modern development, airplanes and such things. The British, of course, are responsible for this text-book revision agitation in the United States. For many years, to be exact, since along about 1776, the British have not liked the sort of material which the American schools have been teaching about the American revolutionary war, its origin, development and results. The British say the American text-books tell a one-sided story, placing all the blame on the English and their king, and so on. It's a long story, but the British have been spending considerable money in propaganda in the United States trying to induce the school boards to revise the text books to the end that better feeling may develop in American-British relations. Who can tell, they argue, if we could wipe out the unpleasantness of 1776, the Americans might be induced to change their constitution, abolish the presidency and accept a Governor-general appointed from London. The Americans might even be induced to discard their Stars and Stripes and accept a modification of the Union Jack as their national emblem. Propaganda has been known to accomplish wonderful results, so who can tell? The propaganda, however, seems to have struck a snag in the city of Chicago where "Cowboy" Mayor Thompson is trying to oust a commissioner of education who was tampering with the city's school books. Adopting as his slogan, "Keep King George Out of Chicago," Mayor Thompson seems to have stirred up considerable commotion both at home and abroad. Pending arrival of the Chicago newspapers it is impossible to determine just what has happened, for *Reuters*, being a British agency, may be giving us one-sided reports.

BUT NOW that the Japanese are also in the game for a revision of the American text-books, it is difficult to tell where the thing will end. The next thing we know the Chinese Nationalists will be

wanting to put their finger in the pie and revise the China chapters in the American school books and Marshal Chang Tso-ling may also want to have a say. We see no way out of the difficulty unless the American school authorities take it up with the government and have Secretary Kellogg invite each and every nation on the face of the globe, including Tibet and Outer Mongolia, to contribute their own paragraphs and chapters for inclusion in the American text books. But on second thought this is likely to cause difficulty for the British would be sure to object to what the Russians wrote about themselves and the Russians surely would kick up a row about any story which the British wrote about their own Empire. The Chinese Nationalists also might be expected to kick on this same point. As a matter of fact the Chinese Nationalists have already been kicking about some of the text books which the foreigners have introduced into Chinese schools. Then also we seem to have read something in the *North-China Daily News* recently which indicates that certain Britons here are not enthusiatic about certain passages which appear in the Chinese text-books about Dr. Sun Yat-sen and his principles. Certain of the Kuomintang leaders have set themselves to the task of teaching patriotism through the spreading of the Sun Yat-sen principles among the children in the schools and since certain of Dr. Sun's declarations do not reflect credit upon the policies of certain foreign nations, particularly Great Britain, British interests here are kicking up a fuss about it and are seeking to get the text-books suppressed or at least revised. We hope this text-book question does not lead us into another world war, but if it does, we have at least one satisfaction. We know who started it—thanks to Mayor Thompson of Chicago.

THE PROBLEM OF PROTECTING CHINESE ABROAD

THE *Kuo Min* news agency, the official organ of the Nationalist Government at Nanking, on October 14 published an account of the killing and wounding of a number of Chinese in the Dutch East Indies, the report stating that twelve were killed, thirteen wounded and some sixteen arrested. The incident had its beginning on May 3 when the Dutch arrested two Chinese, supposedly on a charge of "communism" which seems to be pursuing the Chinese around the world. According to the Chinese report of the affair, the Chinese residents of the place, it was the town of Sanwa Sanwa, Malay Archipelago, held a meeting and protested against the "cruel and inhuman torture to which the Chinese were submitted due to the *barbarism* of the Dutch authorities." The Dutch police then fired on the crowd with the usual results, which seems to have been quite similar to the action of the Shanghai Municipal authorities in 1925 and a later and also similar incident in Singapore, Federated Malay States, a British colony. In the report of the affair in the Dutch East Indies, the *Kuo Min* news agency stated that a protest had been filed with the Nationalist Government by the branch of the Kuomintang at Sanwa Sanwa. If the victims of the Dutch police had been Americans, Britons or Japanese, gunboats would have been rushed to the scene and the Dutch would have been forced to explain the incident and possibly have been required to pay an indemnity. It probable would have been an international incident! But since the victims were Chinese, nobody even reported the affair until five months afterwards and then it comes out in the form of a weak protest through the official news agency of the Nationalist Government.

CHINA probably has more citizens residing abroad than any other country. There are supposed to be seventy or eighty thousand in America, a hundred thousand in the Philippines and possibly several hundreds of thousands in the Malay Peninsula, Dutch East Indies, Siam and Australia. In previ us days the Chinese Emperor frowned upon the emigration of his subjects and left them to shift for themselves. On one occasion when a number of Chinese were massacred in the Philippines, the Chinese Emperor is said to have remarked that they deserved their fate for being so foolish as to leave the land of their ancestors. But when a number of Chinese were killed in labor riots in America many years ago, the Cantonese launched a boycott of American products in South China that played havoc with American trade in that area for a number of years. In recent years the Chinese have begun to take greater interest in the welfare of their nationals abroad and although China does not possess a fleet of gunboats to dispatch abroad for the protection of her citizens, she is discovering other means of retaliation which seem to be just as effective, the economic boycott. While the Dutch do not have much trade with China they do have important investments in China, which in all probability will be made to feel the strength of Chinese resentment. China's trouble in regard to the protection of her nationals abroad is due to the same reasons that make it difficult for her to protect her interests at home—the lack of a central unified government and the lack of modern military strength. It is a sad commentary on modern civilization when we have to use gunboats to force other peoples to treat our citizens respectably, but this seems to be the situation which prevails in the world today. And the saddest part of it is that despite the talk about disarmament, the West is doing everything possible to teach the Chinese that justice for their nation and their subjects abroad can only come when China has developed her military and naval strength.

RATES OF CUSTOMS DUTY AT SHANGHAI

IN VIEW of the fact that the general public seems to be under a misapprehension as to the actual situation with regard to the imposition of duties by the Maritime Customs at Shanghai, *The Review* prints this paragraph. The situation as it exists to-day is that on ordinary imports duty is being collected at the rate of seven and-a-half percent as against the previous five per cent. Further, on certain articles which are defined as "luxuries,"—a classification that has a rather wide application—another two and a half per cent is being collected. That is all there is to it, at least for the moment. And now a word concerning alcoholic beverages and tobacco, particularly the former. Through pressure brought to bear from British and Japanese sources, and in order to prevent discrimination against American shipping, America has been practically "compelled" to participate in a policy of refusing permission to the Chinese to collect a special tax either on tobacco or alcoholic beverages, a policy that is all the more anomalous in view of the fact that the liquor traffic is entirely prohibited in the United States. But here in China, Americans (in common with other nationalities) may not only engage in the liquor business, but are actually placed in a special position by means of which they are able to engage in this trade on more favored terms than if they dealt in such prosaic articles as wheat, lead and machinery. It seems to be a common impression

that Japanese importers are being specially favored and that Japanese are able to bring in their cargo by paying only a flat rate of five per cent (that is, the treaty rate). Enquiry shows, however, that such is not the case. The only thing the Japanese did was to lead the way in handling the problem of the attempt of the Chinese authorities to levy extra-legal taxes on tobacco and "wines." The Japanese simply put their foot down and said to the Chinese: "If you attempt to collect these taxes, we will not only not allow you to collect, as you do on general articles, seven and a half per cent, but we will release the cargo on strictly treaty terms, namely by paying only five per cent." In other words the Japanese answer to the Chinese proposal was to "rub it in" a bit. When the Japanese blazed the way the other nationalities, America included, followed. The American attitude on the matter is made clear by the following letter written by E. S. Cunningham, American Consul General at Shanghai, under date of October 3 to parties who had made enquiries on the subject:

"Referring to your letter of September 9 enquiring whether American merchants can clear cargo by depositing with the American Consul General the treaty duty and the two and one-half percent (2½ %) surtaxes and to my reply of September 13th stating that the Department of State had instructed the Consulate General on August 1st that it could not become the depository for Customs revenues in the mnner suggested by you, I now take pleasure in advising you that I have been authorized by the Department of State and am prepared to accept deposit of the treaty duty, wharfage and conservancy dues on consignments of wines and liqueurs, subject to the special 30% stamp tax and on consignments of tobacco products subject to the 50% tobacco products tax, and to inform American warehousemen that there is no objection to their releasing such cargo.

"The conditions under which this will be carried out will be made known to you and interested firms not later than the fifth instant. Suffice it to say that the request for the release will be made upon the payment of treaty duties only."

A NEW BOOK ON "WHAT'S RIGHT WITH CHINA"

"WHAT'S Right With China" is the title of a book now in course of publication by the Commercial Press from the pen of O. D. Rasmussen. *The Review* has had an opportunity to see a press proof, and even with a hasty perusal can say at once that is just the sort of a book that ought to be published at this time. The title is obviously suggested by a book published in London last year, written by an American who seems to be making a fair living by spreading, not British propaganda, but propaganda for the British "diehards" in China—which is quite a different matter. The title of that book was "What's Wrong With China." To sling mud is always easier than to turn up a productive furrow with a spade, and to criticize and lambast the Chinese seems to be the main indoor sport of the average foreigner in China, who, long inured to the unique position of enjoying special privileges, not only at the expense of the Chinese people among whom he dwells but at the expense of his fellow nationals at home, resents any move to change his status. In order to maintain this special position it is obviously essential to make the people at home, who have to foot the bills, believe that the Chinese are perfectly terrible people and that there is really nothing good to be said about them. The fact, of course, is that the Chinese at present are going through pretty much the same experiences that Europeans and Americans have gone through in their fights for greater liberty of person and for recognition as national groups. They are only a little late, that's all. In the process there is bound to be considerable inconvenience to the strangers within China's gates. But that, for this reason China should be misrepresented and vilified, is really a despicable attitude for writers to adopt, and, it is to be regretted, that many writers do adopt such a course. It is a pleasure, therefore, to read the work of an author who, with painstaking care, collects the numerous evidences of China's good points, and this is exactly what Mr. Rasmussen has done. The reading of this book may not tickle the literary palate as much as does a book filled with "wise cracks", or one that is destructive in nature. It is human nature to be more interested in destruction than construction. A fire will attract a tremendous crowd, but the putting together of a building by carefully laying block upon block and stone upon stone usually only attracts a few passersby. Mr. Rasmussen's book will probably not enjoy as great a vogue among foreigners as he would desire, but he has the satisfaction of having done a splendid service to the cause of justice—justice for the Chinese particularly.

Undermining American Policy in China

BY THOMAS F. MILLARD

In Asia Magazine for November

AT times the established policy of the American government toward China has been in danger of relegation. The Hay Doctrine, advanced in 1899, gave it new life and probably prevented a partition of China among European powers. It was rescued again when the Senate of the United States repudiated the Versailles Treaty. It weathered very lately, by a narrower margin than is generally understood in America, another crisis. It almost surely will encounter in the near future still another and probably even more critical period.

The latest international crisis concerning China differed from previous ones in that some diplomatic agents of our government in China apparently wanted to subvert, and did divert, the American policy. They obstructed the line of action which the Department of State desired to follow. American business organizations in China also took that position. Furthermore (as is more consequential) the Chinese know of that attitude and those efforts.

It is assumed that diplomats are sent abroad to further dual purposes: to promote good feeling between their own nation and the people of the nation where they are accredited, and to promote specific policies of their government.

Those purposes do not always coincide. A policy which a diplomat is instructed to promote may be, and often is, ulterior, invidious, even hostile to the country where he functions. Policy always, with governments, is the major consideration of their diplomacy, although good-will is emphasized more. It is plain that international good-will, in a conventional diplomatic sense, is merely a medium through which policies may be advanced. Diplomats sent to a country to promote or to camouflage hostile policies are found out eventually. When their machinations are discovered, their "usefulness" in that particular country is thought to be ended, at least for the time being. I use the term "usefulness" as meaning usefulness to a diplomat's own government. It hardly will be assumed that any government maintains an organization to assist other governments.

If usefulness of diplomats in any foreign country is impaired there after an invidious or hostile motive on their part is disclosed, what can be said concerning diplomats who have been sent to further a sincerely friendly policy toward a country and who, by their acts and demeanor and conscious effort, operate to inhibit and defeat their own government's policy?

Operation of American policy over a long period had created among Chinese a good-will for America that is almost unique. In recent years American diplomats sent to China were not confronted with a task of creating good-will there

toward our nation. They needed only to hold what already existed. On the issue of policy they were similarly favored. They had only to keep in line with motives and objectives of the established Chinese policy of our government. It has no ulterior, invidious or hostile designs. It is cogently expressed by the phrase of John Hay: "to preserve the territorial integrity and political autonomy of the Chinese Empire." Since the monarchy was overthrown, it has been thought necessary at times to support that basic principle by efforts to prevent outside interference with the Revolution. Obviously, interference by the United States singly or in cooperation with other powers stultifies the American doctrine.

One understands that policies are mutable. The Hay Doctrine is not sacrosanct. It may become expedient or advantageous or compulsory to modify or abandon it. But a long succession of American ministers and other officials in China apparently believed in the doctrine and have defended it continuously against open and surreptitious attacks. If, because of new developments and changed conditions, the policy of the United States toward China ought to be altered, no doubt it is the duty of American officials in China to put that aspect of the situation, and their own opinions, before their government. Such representations usually are private. When it becomes known that a diplomat holds opinions considered inimical to the country where he is stationed and that he has urged his government accordingly, it makes his position there difficult and usually untenable.

Events and occasions which in the past two years have put American officialdom in China—I include not all officials of our government, but the legation and some consulates—and American business organizations there in dissent from the policy of the American government, will demonstrate the situation.

The American Minister to China during that time, Mr. John V. A. MacMurray, had extensive previous experience with questions affecting that country. His departure from America to take his post was preceded by public statements which gave no intimation of any change in the policy of our government. On arriving in China Mr. MacMurray made similar utterances.

American policy toward China, or rather in China, has a difficulty to contend with, in that its thesis and major tenet are contradictory of the treaty status that now constitutes most foreign relations with China. Americans in China share that status, and the American government at times participates in efforts to enforce treaty stipulations which its broad policy condemns.

In the time, extending more than a half-century, when Chinese felt no especial resentment of this treaty status, that anomalous position of the American government could be held without great embarrassment. Even after the new Chinese Nationalism evoked the demand for treaty revision, the American policy with some plausibility could take the position that, while the old treaties lasted, it claimed equal privileges for Americans in China, although deprecating the status as infringing China's political autonomy and sovereignty. The presumption was, and Chinese credited it until lately, that the American government would not move actively to sustain a *status quo* which it had declared to be unjust to China and obnoxious to the United States. That presumption was supported by a speech Mr. MacMurray made in America prior to his departure for China.

Determined To Change The Treaties

Some outstanding facts are pertinent. One is that Chinese political *intelligentsia*, regardless of their domestic grouping, are determined to change the treaties. In that they are supported by powerful feeling among the masses. Within the past two years Chinese leaders became impatient of the dilatory method of revision by negotiation with a dozen or more foreign governments, each with its own motives and interests, and they commenced a unilateral process of abolishing the treaties piecemeal. That forced the issue.

In those circumstances the American Legation at Peking seemed to forget or to lose sight of the fundamentals of American policy, and turned to its comparative antithesis, the treaty stipulations, for guidance. The legation tried to go along with the remainder of the Diplomatic Corps. Other legations, however, following policies that coincided with the letter and spirit of the treaties. At the outset of treaty disintegration it was evident that a degree of unity and cooperations among the legations was essential to effective resistance. (Russia had previously given up, and Germany and Austria had lost, the old treaty status.) "International cooperation," a slogan which camouflages so many private designs and objectives of governments, was the watchword. In it seffort to cooperate with its colleagues of the Diplomatic Corps the American Legation at times joined in protests about minor treaty infractions, most of which had no effect except to irritate the Chinese. Perhaps the legation did not comprehend how its amenability to international cooperation as interpreted by the Diplomatic Corps at Peking was putting the legation at cross purposes with the policy of the American government.

In China the foreign press has an influence out of proportion to its numbers and circulation. How that influence was exercised and felt during the period under discussion is indicated by the observations and comments of two Englishmen. In 1926 the Labor Party in England sent one of its members, Colonel L'Estrange Malone, M. P., to investigate conditions in China. In his report Colonel Malone wrote: "Probably the American press in China more accurately portrays the real sentiments of American democracy toward China than does official policy here. Mr. MacMurray, the American Minister, is helped by this press, just as Sir Ronald Macleay, British Minister, is hindered in his dealings with the Chinese by the bitter abuse of the British press in China. The American press is sympathetic and humane toward China, and thus creates the impression that American policy is benevolent; whilst the British press, by never missing an opportunity of being offensive to the Chinese, and by always adopting the most reactionary outlook, gives the worst possible impression of British policy. Actually neither the British nor the American press is official; but they have their great effect." In a public address at Shanghai, made toward the end of 1926, Mr. L. A. Lyall, who spent the greater part of his life in the Chinese Maritime Customs Administration, said: 'I would like to make a practical suggestion, that the British press in China should be published in the Russian language, and then the Soviets will get the benefit of the ill-will it creates and not the English people."

The American Press in China

The American press in China includes daily newspapers at Peking and Tientsin, a weekly paper at Shanghai and an incoming service of the United Press Association that is distributed among foreign-language and Chinese newspapers. The United Press also sends an outgoing service throughout the world. There is reason to mention those publications.

The so-called "Boxer" Protocol signed in 1901 between a number of the powers and the Chinese Imperial Government causes more petty irritations, probably, than any other China treaty in existence. In compelling the Chinese to sign that Protocol the powers had both punitive and precautionary purposes: for punishment they exacted a large money indemnity, and for precaution they devised measures calculated to prevent a recurrence of the siege of the legations that happened in 1900. In 1900 the Legation Quarter was beleaguered for weeks, without the usual means of communication. The Protocol provided that the railway between Peking and Shanghai-kwan and the Pei-ho (Pei River) from Tientsin to the sea, shall at all times be open for foreign navigation; and that telegraph communication between Peking and the world shall not be interrupted. To insure observance of those stipulations, certain of the powers were to keep legation guards at Peking and troops stationed at points along therailway.

The punitive provisions of the Protocol are almost liquidated. The indemnities were paid in part, remitted in part and in part wiped out by the World War. But the precautionary stipulations still exist, although China has tried to have them terminated. While the country was comparatively peaceful, the only reminder of those provisions of the Protocol was the presence of foreign troops. In later years, when civil wars have pivoted about the capital and Tientsin, the railway has had military importance to the contending Chinese armies and has been used by them.

The Protocol of 1901 should be construed in view of its original purposes and the reasons underlying its provisions. Its framers scarcely could have contemplated that, at times when the legations are in no danger except that incidental to being situated in a country disturbed by revolution, and when their own radio installations communicate with the outside world regardless of interruptions of wire telegraphs and mails, the Chinese governments would be denied free use of railways and waterways in China. That interpretation of the Protocol makes the railway from Peking to Shanhaikwan and the Pei-ho primarily serve a few hundreds of foreigners.

Several times in recent years the question of sustaining railway communication for foreigners between Peking and the sea has arisen. I was in Peking on two of those occasions. In neither instance was there any idea that the legations were in peril or that the foreign population was liable to suffer by deprivation: to keep trains running between the capital and Tientsin was merely a convenience. Since the opposing Chinese armies were facing each other between those cities, in positions generally at right angles to and across the railway, and both sides depended on the railway as their main line of base communication, its use was necessary to them; in fact, much of the fighting was for possession of the railway and its rolling-stock. On those occasions the custom was to run a daily "diplomatic train" between Peking and Tientsin, or in winter between Peking and Shanhaikwan, in charge of a foreign

military guard and flying flags of the Protocol powers to indicate its character. This train carried mails, passengers, foreign military observers, press correspondents and photographers, spies and informers of both opposing armies, political agents, tourists and a modicum of supplies for use of foreigners inPeking. In no other country under those conditions would a train carrying such a personnel be permitted to shunt back and forth across the battle-front of opposing armies, penetrating well into the rear of both of them.

The Diplomatic Train

Had it been necessary, commanders of the Chinese armies would have granted safe conduct out of Peking for the legations and any foreigners who were compelled to leave. But the legations construed those provisions of the Protocol to mean that the railway must be kept running for their comfort and convenience. Finally, late in 1925, the Chinese militarists disregarded any such construction of the stipulations and the "diplomatic train," after a number of attempts to function, was discontinued. On that occasion the American Minister took the common-sense position that it was unnecessary and provocative to try to force the train through by using foreign troops. For that attitude Mr. MacMurray was severely criticized by those foreigners who regard every jot and tittle of the old treaties as inviolable and who consider that the least infraction of them will bring on a cataclysm. The "weak-kneed" policy of the American government was roundly berated. By some Mr. MacMurray was blamed for misadvising his government, and by others Washington was blamed for holding him back. The consensus among foreigners in Peking then was that the United States had kicked another prop from under the treaty status.

It may have been those criticisms, or it may have been a change of mind in the American Legation, that caused the legation, when much the same question arose a few months afterward, to take an opposite attitude and somehow to induce Washington also to switch. That occasion is called the "Taku incident."

Taku is a village where the Pei-ho enters the Gulf of Pechihli; formerly China had forts at the mouth of the river, but was required to demolish them after 1900. Early in 1926 the military faction headed by Chang Tso-lin made another effort to expel the Kuominchun—the armies commanded by Feng Yu-hsiang—from Tientsin and Peking. In the course of that effort naval and land forces cooperating with Chang Tso-lin tried to reach Tientsin by the river; and the general defending Tientsin sought, by placing some field artillery at Taku and by laying some mines, to repulse the attack. That move of course endangered navigation of the river and in effect almost closed the port of Tientsin for the time being. Under terms of the Protocol the Pei-ho shall be kept open for passage of foreign ships. Therefore the legations protested at those measures. Shots that were exchanged between Chinese naval vessels and the Chinese shore batteries endangered some foreign ships, which were trying to enter or leave the river. One Japanese ship was struck by a shell. The commander of the shore battery explained that he had fired at an enemy naval vessel that was trying to creep in behind the Japanese ship. It is pertinent that the Japanese were suspected of helping Chang Tso-lin. A number of similar incidents occurred. The foreign argument was that the Protocol must be respected in all circumstances. Chinese opposed to Chang Tso-ling contended that they could not permit enemy naval vessels and transports carrying enemy troops and munitions to pass up the river unmolested.

Some aspects of that situation are Gilbertian. The Peking government, then dominated by Feng Yu-hsiang, was the "recognized" government of China to which the foreign diplomats were accredited. Yet the diplomats insisted that armed forces hostile to the existing Peking government should not be opposed by measures which contravened questionable constructions of the old and mainly obsolete Protocol.

Consuls at Tientsin made the usual protests, and Chinese officers on the ground made promises of compliance, which, from the nature of the case, they were unable to fulfil. The Legation Quarter felt that a strong position must be taken in support of the letter of the Protocol; there was the usual argument about sending a joint note. Again it was doubtful whether the American government would sign a joint note sustaining the Protocol. Evidently urged to do so by the legation, it did join the Protocol powers in an ultimatum dated March 16, 1926, which required the Chinese military officers to remove mines and all obstructions and to cease all acts that interfered with safe navigation of the Pei-ho. What would have happened is problematical; but about then the attacking Chinese forces concluded that they could not force entrance to the river and moved off to land at another place.

The significance of that and previous incidents is the vacillation of our legation, and of the American government, between treaty enforcement and broad policy. It is no wonder that Chinese are puzzled regarding the motives of the American government and that those consecutive incidents, coupled with others of a similar character elsewhere in China, have aroused suspicion of where, in a pinch, the American government will stand in the coming crisis on the issue of whether the treaty status, as a whole or in part, will be maintained by military action of the powers.

After The Taku Incident

Regarding the Taku and similar incidents the American press in China mainly supported the Chinese position, notwithstanding that Americans as well as other foreigners were incommoded by the disorderly conditions. That act displeased the American Legation. Some American editors and correspondents were told privately that their attitude was "embarrassing" to the legation and, so it was implied, also to the government. Even a non-partisan service like the United Press fell under the displeasure of the legation. When interest in the Taku incident was high and it was doubtful whether the United States would join in an ultimatum, the Peking Bureau of the United Press received for distribution to its subscribers in China a despatch from Washington to the effect that the American government was reluctant to act in the matter and that its influence was being exerted with the other powers to forestall an ultimatum. The manager of the United Press Peking Bureau, Mr. Randall Gould, as a courtesy, informed the legation of that despatch before sending it out, and, because of the urgency of the legation, he withheld it. For doing so, Mr. Gould was afterward reprimanded by his home office; for it seems that Washington was particularly desirous, at the moment, of having its attitude published in China. The legation, which held a contrary view to that of Washington and was trying to impress that view on the Washington government, did not want that news published then, probably feeling that publication would tend to hinder agreement of the legations on joint action and might stiffen resistance of the Chinese.

Although the feeble Chinese government at Peking had yielded, or rather had evaded the direct issue raised by the Taku incident, treaty disintegration went on apace. Hardly a month passed without a break somewhere. The Peking government was bombarded with diplomatic notes with no appreciable effect. Many of the episodes actually were beyond the effective authority or influence of Peking. It became more and more evident that, if further disintegration, indeed it total annulment, of the treaties was to be prevented, force must be substituted for argument and protest.

Use of force to hold the *status quo* meant foreign military action on a large scale. It was evident also that effective diplomatic pressure or military action would be hard to bring about if the United States refused to participate or if it opposed such action of other powers. For many years the avowed policy of the American government toward China had aimed to destroy Europe's hegemony there, which is entrenched in the treaty status and is protected by the cooperative or concert method of dealing with issues from arising interpretation and infractions of the treaties. Could the American government be turned around? In its remoteness and detachment from the turmoil in China, Washington might keep in view its ultimate objectives and refuse to be pulled away by expedients having different motivations. The American Legation at Peking was subjected to the full force of the prevailing anti-Chinese hysteria of foreigners in China and of its diplomatic colleagues. That influence was brought to bear on our legation, which, in the period under review, was not of a caliber to resist it. It was brought to bear also on the American press in China, but with different results.

When The Nationalists Were Strong

With progress northward of the so-called "Cantonese government" and the examples, given at Hankow and other places, of its resolution to revise or nullify the treaties without delay, that government and its protagonist, the Kuomintang, became bogies to the Legation Quarter at Peking. Compared with the Kuomintang, the Northern war-lords who dominated at Peking seemed conservative to the foreign diplomats. Moreover, those warlords still gave perfunctory attention to the Legation Quarter, while the Legation Quarter had no contact and hardly a vicarious influence with the Kuomintang. The Southern Nationalists declared that they contemplated the removal of the capital from Peking, which would mean an end of the Legation Quarter and its unique status. Partly for this reason, the Quarter became strongly anti-Southern, or, since the Kuomintang adopted the title "Nationalist" for its administrative regime, the Quarter became anti-Nationalist. Implications conveyed to Chinese by that attitude would have cautioned diplomats whose political judgment had not been prejudiced by environment. All intelligent Chinese are Nationalists in the general meaning of this term.

Reactions of the Legation Quarter to the Nanking incident (in which a few foreigners were killed and consular buildings were damaged) naturally had a strong anti-Kuomintang bias. Little effort was made to conceal that feeling. Senior diplo-

mats observed outward decorum, with some exceptions; but junior diplomats and attaches voiced their sentiments and opinions freely in public and semi-public places, where they were heard by Chinese. Members of the American Legation spoke of the Hankow and Nanking regimes as controlled by murderers and thieves and used opprobrious epithets in referring to the Kuomintang.

My comments should not be taken as condoning or wanting to condone the conduct of persons whose identity and whose responsibility for the Nanking incident are not officially established or as condoning or wanting to condone other outrageous acts that have marked the course of Chinese Nationalism in late years. The point under discussion is whether a minor episode like that at Nanking gives a sufficient reason or provides a suitable occasion for changing the policy of the American government in China. In years gone by a good many missionaries have been slain in China; a good deal of mission property has been destroyed. Any such incident can be made the occasion of political action by one or more foreign powers. When some German missionaries in Shantung were killed, in 1898, the German government despatched a naval squadron to Kiaochao Bay and then exacted a leasehold of Kiaochao to Germany. Germany's action then was premeditated: the murder of German subjects provided an opportunity to obtain desired concessions from China. If the United States had designs concerning China and the rest of the world that could be fostered by punitive action in such a case, then one could comprehend what political ends the Nanking incident might have served. But for the American government to have been drawn into punitive action contrary to its policy and without preparation would have seemed unintelligent. Very lately American embassies and consulates have been menaced in various parts of the world in an effort to influence the course of legal procedure in the United States. Yet because of that the government at Washington has not changed its broad policy regarding those countries. Chinese have greater provocation to attack foreigners than citizens of tection most countries have.

The "Drive" For Intervention

The Nanking incident, coming with cumulative effect after a series of previous affronts and injuries to foreigners, was seized upon by those foreign elements in China that want intervention as an occasion to bring it on. A division of British troops had been despatched to China before the Nanking incident happened, and all foreign naval and military contingents in the country were reinforced with the stated intention, in the event of a general antiforeign uprising, of giving proto foreign residents at principal Treaty Ports.

The "drive" to bring on intervention is reducible to simple elements. Decision rested with the home governments, which meant, in fact, governments of the actual Pacific Ocean powers, the United States, Japan and Great Britain. To influence those governments it was required to create in America, Japan and Great Britain a public opinion favorable to intervention and to have the Diplomatic Corps at Peking encourage and promote that outcome. For effect on opinion outside of China an extraordinary propaganda exaggerating the perilous situation of foreigners there, misrepresenting the attitude and purposes of Chinese Nationalists, emphasizing horrifying details, exploiting imaginary plots for the massacre of foreigners, working up artificial panics among foreigners in China, describing feverish work on defensive measures, was broadcasted. There was enough of reality in events and conditions to make the propaganda impressive. But the broad political purposes underlying it, and its bias and exaggeration, were palpable. I believe that some so-called defensive and precautionary measures of the foreign authorities at Shanghai, Peking and other places, during that crisis, were taken for effect in the home countries, to build up a psychology favorable to complete armed intervention.

The Legation's "Surrender"

Of foreign officials in China, none seemed to surrender more completely to the panic psychology than our legation and some of our consuls did. With many of them, probably, doing so was partly a revulsion. Although Americans suffered inconvenience and injury in the course of the "recovery of national rights" movement, they had regarded those experiences as vicarious. The wanton killing of an American missionary educator at Nanking, gross indignities to American women and violation of the American consulate there, without any provocation by Americans, were a tremendous shock. The legation ordered a general evacuation of Americans from the interior and a concentration at places where protection is possible. The panic extended to Peking and especially to the American Legation, which advised Americans in the city to leave, causing a hurried exodus that took with it women and children of the legation personnel. There was serious talk of removing the legation to a safer place. Foreign troops were rushed to Tientsin and Peking. The basis of that panic was a presumption that the Kuomintang government would soon occupy Peking and that its appearance there would bring a repetition of the Nanking incident or worse. Subsequent events made that panic ridiculous.

In such an atmosphere, the Diplomatic Corps conducted negotiations to adjust the Nanking incident. That affair happened March 24, 1927. After much discussion among themselves and a vast amount of private telegraphing between the legations and their governments, and between foreign offices of the powers, an identic note was formulated which was communicated to the Nationalists on behalf of the British, Japanese, French, Italian and American legations, on April 11. That note demanded apology for violations of foreign consulates and reparations therefor, indemnities for foreigners who lost their lives and for personal and property injuries and damages and punishment of Chinese who were responsible for the outrages and those who committed them. The meat of the note was this paragraph: "Unless the Nationalist authorities demonstrate to the satisfaction of the interested Governments their intention to comply promptly with these terms the said Governments will find themselves compelled to take such measures as they consider appropriate."

When the note of the powers concerning the Nanking incident was in process of formulation, there was a strong effort made within the Diplomatic Corps, and outside of it, to give the note the character of an ultimatum and to indicate sanctions. (the word "sanctions" means penalties.) It was understood that the British, French and Italian legations wanted sanctions annexed to the note, while the Japanese and American ministers were dubious. The American Minister apparently was brought around by dint of argument and persuasion. For several days the note was suspended while that point was argued. All the legations were in almost hourly communication with their governments.

The Chinese Understood

Whatever obscurity may have existed at Washington about the meaning and logical eventuation of a note with sanctions as compared with a note without sanctions, the matter was understood in China. Many diplomats at Peking and other foreigners in China, and many Chinese also, thought that the powers would work the old diplomatic device of making demands impossible of literal fulfilment and then, when they were not satisfied, promptly put the sanctions into effect. At that time and subsequently, when the sending of a second and stronger note was being discussed, the foreign press in China gave details of what the contemplated sanctions were, or ought to be. It was proposed to occupy Hankow, Nanking and all important ports along the Yangtze River with foreign troops; to put the principal railways and revenues there under foreign control; to limit navigation of the Yangtze and some other interior waterways to ships under foreign command and foreign naval escort; to put the entire Port of Shanghai under foreign authority; and to hold that position until Chinese could give reasonable guaranty of their intention and ability to protect foreign rights and interests in China. The plan was to draw a line of foreign military forces across China, dividing the Northern and Southern political sections, and to take over and administer the more important governmental functions of the country. That plan would use foreign troops to prevent further progress of the Kuomintangnorthward.

If the American government were committed to an ultimatum with sanctions, then it would be very embarrassing for it not to join in the succeeding steps to enforce the sanctions. Plenty of circumstantial evidence exists indicating that the American Minister favored an ultimatum with sanctions and tried to induce his government to participate in such action. While the question of sanctions or no sanctions was pending and there was anxiety everywhere in China about the matter, the United Press sent the following despatch for distribution in China and the Far East:

"Washington, April 4: The United States Government today sent instructions to American Minister J. V. A. MacMurray at Peking regarding joint American, British and Japanese demands which are to be conveyed to the Nationalist authorities. It is understood here that the instructions permit Mr. MacMurray to join demands for indemnity in connection with the Nanking and other recent outrages. The instructions are likewise understood to provide for a request for guarantees from the Nationalists in connection with future protection of lives and property of foreigners in China. The instructions do not authorize the United States Minister to participate in any form of joint ultimatum, it is declared."

Among the newspapers in Peking that received that despatch was the *Peking Leader*, published under American editorship. Realizing the significance of that news, the acting editor of *The Leader* telephoned to the American Legation and read the depatch to Mr. Ferdinand L. Mayer, counsellor of Mr. Ferdinand L. Mayer, counsellor of legation. Mr. Mayer asked the editor not to publish the despatch, intimating that its publication would embarrass the legation. The editor pointed out that the despatch would go to other newspaper-

(Chinese) in Peking and to newspapers else where in China in Japan and the Philippines and that the same news would be published in America; but he consented to hold the despatch.

A "Customary" Protest

That despatch, which proved to be substantially correct, showed that the American government had decided to limit its action about the Nanking incident to the customary protest and representations and would not join in an ultimatum. The effect and outcome of the action of the powers turned on that point. A note without ultimatum and sanctions was innocuous. A note with ultimatum and sanctions, and especially a joint note, meant action that might change the course of history. As between a joint note and identic notes there is a distinction. A note by a single power is subject to interpretation by that government alone. In identic notes several powers agree on phraseology, but each reserves its own right of interpretation and subsequent action. A joint note commits its signatories to joint action throughout, and inferentially to majority interpretation and opinion.

At about that time, independent American publishers and correspondents in China who had been reporting events impartially and were giving a fair showing to the Chinese side of questions, and who editorially were supporting the broad purposes of American policy as indicated by the government at Washington, instead of insistence on treaties, as apparently was favored by the legation, began to be subjected to intimidation and persecution.

After he sent out the previously quoted despatch, Mr. Randall Gould was summoned to the legation, where Mr. Mayer remonstrated strongly with him about the despatch, intimated that it was misleading and furthermore said that other despatches received and sent by the Peking Bureau of the United Press were inaccurate and objectionable to the legation. Those imputations were resented by Mr. Gould, who challenged Mr. Mayer to point out any inaccuracies. Mr. Mayer suggested that incoming despatches should not be sent out before being referred to the legation. Mr. Gould said that smacked of censorship, which he could not submit to. The interview ended inconclusively.

In the next few days thereafter several events occurred at Peking that were given wide publicity. One was the "raid" conducted, April 6, by Chang Tso-lin's soldiers and police, on Russian Embassy premises with previously obtained warrant of the Diplomatic Corps (not, of course, the Russians) to invade the customary immunity of the Legation Quarter, at least to the extent of entering private properties in the Russian Embassy Compound. The American Legation took a rather prominent part in making the raid possible. That sensational event was profusely reported by all foreign correspondents in Peking. Mr. Gould, for the United Press, interviewed the Russian Charge d'Affaires and reported his side of the story.

Coincidently, two American newspaper writers, Mrs. Mildred Mitchell and Mr. Wilbur Burton, were arrested by Chang Tso-lin's police and confined *incomunicado* at their hotel outside the Legation Quarter. The circumstances are as follows: Mrs. Mitchell had been employed for a while by a Chinese news agency, Chung Mei, but shortly before that, was discharged because the agency was closed by the police. Chung Mei, like nearly all Peking Chinese news services and newspapers in Peking, had, in the time when Feng Yu-hsiang controlled there, been favorable to his government and probably received financial support from the Kuominchun. It had employed foreigners, principally Americans, from the beginning, and at one time it was in good standing not only with the Peking government but also with the legations. But with the rise of Nationalism, which it supported enthusiastically, the agency lost the sympathy of the legations, and, after foreigners came to regard Feng Yu-hsiang as leaning toward Russia, it was looked upon as of a Red hue. It was incorporated under American laws, but the "protection" of the American Legation was withdrawn on March 31, at the request, it is believed, of Chang Tso-lin. When Chung Mei was suspended, its employees were dismissed, including Mrs. Mitchell. She was arrested on the eve of leaving for Shanghai, where she hoped to get a position. Mr. Burton had arrived in Peking a short time previously from South China, where he had worked for the publicity bureau of the Cantonese government. Being unacquainted in Peking and knowing Mrs. Mitchell, he sought her out at Chung Mei. That association presumably was the reason for his arrest along with Mrs. Mitchell.

Mrs. Mitchell managed to get word of their predicament to Randall Gould, who saw the news interest of the event and how, as a fellow newspaper worker, felt that he ought to assist them. With some difficulty, Mr. Gould managed to see the prisoners and then apprized the legation of their difficulties. It seems the police, knowing that an implication of their being Reds had been put on Mrs. Mitchell and Mr. Burton, and perhaps hoping to find among their effects some evidence of Red affiliations, had seized and searched them without warrant and had searched their rooms.

A majority of the foreign correspondents then in Peking were disposed to be indifferent about the incident. In that they followed the wishes of the American Legation. But Mr. Gould sent a report of the matter to the United Press, thus giving it wide publicity and virtually forcing the legation to move.

The Daily Press Receptions

It is a custom for press correspondents to be received at the American Legation every day. The function of giving out news was then being performed by the Counsellor. On April 9, when Mr. Gould called at the legation, he was not received, and later he learned from Mr. Mayer that displeasure of the legation at those previous incidents, and especially at Mr. Gould's acts in interviewing the Russian Charge d'Affaires and reporting the case of Mrs Mitchell and Mr. Burton, made him *persona non grata*. He was excluded from the daily "conferences," as the reception of newspaper men is called. Because Mrs. Mitchell and Mr. Burton were detained *incomunicado*, Mr. Gould tried to get an American lawyer for them; when one came from Tientsin, he was not allowed to see them until after considerable delay. There is no doubt that publicity drove the legation to move in that matter against its will. Given a time-limit to prefer definite charges against Mrs Mitchell and Mr. Burton, the Chinese police abandoned the case, and the prisoners were released after a week.

Mr. Gould made a report to his head office about being debarred from the American Legation. The head office took the matter up at Washington, and the Department of State asked an explanation of the legation. Mr. MacMurray explained that a reason was that Mr. Gould was suffering from a nervous breakdown to the extent of being unfit for work and that he showed an "unsympathetic" attitude toward the legation. On learning of that statement, Mr. Gould had himself examined by three of the foremost foreign physicians in Peking, who pronounced him normal. After the matter had dragged along for three months, the Department of State instructed the legation to lift the ban and receive Mr. Gould.

The attempt to intimidate J. B. Powell, editor and publisher of the *China Weekly Review* at Shanghai, is interesting from another angle. Mr. Powell, who also is correspondent of the *Chicago Tribune* and the *Manchester Guardian*, offended foreign interests at Shanghai both by his reports to those newspapers and by his presentation of Chinese events in *The Review*. Since it was founded, in 1917, *The Review* has consistently advocated the established policy of the American government toward China. In regard to treaty revision, Mr. Powell has believed it to be unavoidable and therefore has favored timely concessions to the swelling Chinese national sentiment in respect to both general provisions of the treaties and relations of foreigners and Chinese at Shanghai. Mr. Powell discredited purposeful exaggerations of the Nanking incident. He was outspoken in criticizing extraordinary measures deemed necessary by the local foreign authorities for protection of the International Settlement. That was enough to damn him in the opinion of those who want the old treaty status held at any cost and who think the right solution of China's trouble is foreign intervention. A number of anonymous letters attacking Mr. Powell appeared in the leading British newspaper at Shanghai; some writers intimated that he ought to be deported from the International Settlement and *The Review* suppressed. Some of those letters purported to be written by Americans, and probably they were, in view of what followed.

The annual meeting of the American Chamber of Commerce at Shanghai was on April 26 last. It happens that Mr. Powell, more than any other person, is responsible for the existence and present consequence of that Chamber. For years he acted as its secretary without pay. Also without pay, he spent a year in Washington, working for the adoption of the China Trade Act, a law desired by American business men in China. When the Chamber could afford a paid secretary, Mr. Powell retired, but he continued active in its work. Mr. Powell attended the meeting of April 26 as a member of the Chamber. He did not know what was to be done concerning him. That, however, was already known to people outside of the Chamber. The British newspaper that had published those attacks on Powell had been apprized of what was to happen and had sent a reporter. After some regular business was disposed of, a member introduced a resolution declaring that the views expressed in the *China Weekly Review* were in direct opposition to the opinions and views of the Chamber and requesting Mr. Powell to resign from the Chamber. Mr. Powell was surprised, but he defended his course and refused to resign. The resolution then was adopted on a vote.

The Case of J. B. Powell

Membership in the Chamber is of little practical value to a newspaper, and that action was laken with intent to stigmatize Mr. Powell and to brand him as "antiforeign" in his activities and sympathies. The proceeding carried a local implication

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What is the People's Revolution?

BY C. Y W. MENG

REVOLUTION means an alternation a radical change. It is a fundamental change in political organization, in government, in constitution; or it is a dislocation of sovereignty. It is generally considered as a most undesirable happening in human society, for it creates a period of dissension and bloodshed, and only to be followed, usually by a long period of internecine warfare which interrupts trade and paralyzes all business. This explains the reason why in the time of revolution, it is often that a stream of people is willing to leave their mother country and to join the citizenship of another, just because they do not want to witness their country to be trampled on by a few revolutionists.

Undesirable as revolution may be however, its sometimes a necessary step for transforming a country from mediaevalism to modernism, from slavery to freedom, from agriculturism to industrialism. The Americans won their independence only by the Revolution of 1776. The French got their liberty and equality only by the Revolution of 1789. The Japanese modernized themselves by the Revolution of 1867. History has told us that all modern states owe their powerfulness to Revolution. Therefore, the out break of the Revolution in China in 1911 which really constitutes a marvel in the twentieth century, should be regarded as a sign that China might be modernized by a revolution just as was the case in other countres during the nineteenth century. But unfortunately the revolution of 1911, resulting in only superficial changes in the form of government, has proved to be a failure. China needs a real revolution!

China Needs a Revolution!

In a country where the people are so conservative-minded so self-conccited, it needs a "spiritual revolution." The Chinese need a new recognition of spiritual values and the possibilities of modern civilization. In a country where farmers are still goading on the slow-moving oxen before the wooden plow, the cobbler is still pegging away at his shoes, the thrifty wife is still sitting by her spinning wheel, it needs an "industrial Revolution." In a country where the people, though nominally under a democratic government, are still denied the freedom of speech and press, and editors may be shot to death within two hours after arrest, or put into prison for several weeks for no other reason except for some sensational editorial that they may have written, in which they may have attacked some "big men" in military or official circles, it needs a "political revolution" to fight for the rights and freedom of man. In a country where females are not given any right but are kept in the house as housekeepers, and wives have to call their father-in-law "Grandfather", meaning, by this that wives are in the same rank as their children, it needs a "female revolution." In a country where three-fourths of the population are poorly fed and the number of unemployed is growing, and the means of earning a living are made extremely difficult, it needs a "social revolution." In a country where the customs, traditions, and institutions are extremely nonsensical, it needs a "reformative Revolution" which will destroy anything that is nonsensical, no matter how long it has been observed, and will lead all branches of learning and institutions into the new light of reason. In a country where the foreign nationals are really masters enjoying all kinds of rights and priviliges which are denied to the citizens of that state, it needs an "anti-imperialist revolution" to drive away all aggressive foreigners, putting an end to this practice. In other words, China needs a revolution which externally will drive away all imperialists; and, internally will put China into proper order. It is this revolution that is needed by China today and it is this revolution that will alone save China. Such a revolution is to be known as "the People's Revolution."

Misinterpretations of the People's Revolution

The peoples' revolution being so significant in character, so large in scope, is certainly subject to various interpretations and misinterpretations. One most dangerous misinterpretation is that the present peoples revolution is classified as a Bolshevist revolution. The admission of Communists into the Koumintang, the invitation of Borodin as advisor by the Canton or Wuhan Government, the change of the national flag from five-colored to green-sky-white-sun flag have all been taken as a symbol that China has become "red". But a close study of the tendency of present events will reveal that what is presumed to be so is not really so.

The admission of Communists to the Kuomintang was because, as it has repeatedly been stated in the Kuomintang manifesto of the Ching Tang Movement (a movement to purge the communistic element out the Kuomintang) that as Communists had renounced their belief and had accepted the Three People's Principles, there was no reason why they should not be admitted. Sinners may become Christians after repentance; why should Communists not be admitted after taking a solemn oath to be faithful followers of Dr. Sun? That the converted Communists have at last turned out to be traitors is something that no man could be expected to foretell.

The joining of hands with Russia is, be it noted, a far-sighted policy. As China is circumstanced it is deemed very necessary that China should join with some other countries, such as Russia in the East or Germany in the West, for the reasons that the world will know later. History has proved to us that a policy of alliance is an instrumentality of diplomatic success. The Americans would not have been able to win their independence unless they first joined with France. Germany would not be able to defeat France unless they first joined with Austria-Hungary. The Japanese would not be so bold to declare war against their big neighbor, Russia, unless they first joined with England in the Anglo-Japanese alliance. These examples are sufficient to prove that a policy of alliance is a wise thing. When Dr. Sun advocated that China should join with Russia he did it because Russia was the first country to treat China with equality, and China, on her part, is always willing to join with anybody to fight for those who are oppressed.

The Status of Foreign Experts

To engage some foreign experts in the governmental services is nowaday a common thing. It is by no means justified to say that Kuomintang has been put under communistic control. That a turn of face of Gen. Chiang Kai-shek was sufficient to drive away so big a man as Borodin shows that foreign experts are merely employed in the same way as a master employs a servant and he can dismiss him at any time he pleases.

As to the Kuomintang's flag, let it be noted that the color (red) was designed at the time when the Tong Meng Hui was first organized by Dr. Sun about forty years ago when the communistic influence had not yet come into existence.

Lastly, it is said that the Three People's Principles, especially the last principle of the people's living, involve the theories of communism, and it is therefore said that the Three People's Principles are communistic theories. Let us now enumerate the differences between Dr. Sun's theories and those of the communists.

(1) The Communists give undue importance to material interests in determining the progress of human society. Everything, to them, is to be alone determined by the economic forces. To them, the rankless or class struggle requires force to attain social progress. But modern sociologists have strongly rebutted this point. Professor C. A. Ellwood says: "Social problems must consist of all other causes; the economic cause is only one of them." Dr. Sun's teaching was that social progress depended on the fair adjustment of the economic interests of the people, and that special emphasis be laid on the improvement of the people's living.

(2) To Communists, the prosperity of capitalists means the downfall of the working class, for the introduction of Machineny means the decrease of Manual work, and this means an increase of the number of unemployed. This puts the capitalists in a superior position, able to treat the working people in any manner they like. But to Dr. Sun, though the interests of the laboring class are in conflict with those of the capitalists they are subject to adjustment. To improve the conditions of the laboring class it is necessary to increase their productive capacity which, in turn, means an increase of production for the capitalists. In this way, on the side of the laboring class, their wages are increased, while on the side of capitalists, their production is also increased. In other words, though the interests of the two classes are in conflict they can nevertheless be amicably adjusted. This theory together with the other two on the restriction of capitalism and equality of power to hold land is the most moderate solution of this important social problem.

(3) To Communists, when goods are produced, there are two interests, one accruing to the capitalists and the other to the merchants. But in order to lessen the burden of the consumers, communists maintain that they have to beat down the capitalists and merchants. But Dr. Sun's idea of lessening the burden of the consumers is not done thus. His idea is that a cooperative store consisting of consumers of various goods should be organized, and the profit of this business proportionately divided among the consumers. In this way, goods when they come out from the factory will not pass into the hands of the merchants. That is to say the burden of consumers is lessened.

(4) To Communists, capital alone can produce, and products accumulate profits. To Dr. Sun, only capital not profits can accumulate; The under-lying force for profit, is the consumptive capacity of people, therefore to develop industries is not only capital is needed but the consumptive capacity of

the people must be increased. But in order to enlarge the consumptive capacity of the people, their financial condition must be improved.

(5) To Communists, capitalists will gain when the wages of laborers are decreased, the working hours are increased, and the prices of goods are made dear. Reversely, to destroy capitalism it is necessary to demand increases in wages, a decrease in working hours and cheaper prices of goods. But to Dr. Sun, the increase of wages and the decrease of working hours must be accompanied by an increase in the efficiency of the laboring class. In other words, the working class is to be protected but at the same time the interests of the capitalists are not to be neglected.

(6) To Communists, the laboring class is not national but rather international in citizenship. To this doctrine Dr. Sun was bitterly opposed. To Communists, there are only two classes of people--capitalists and non-capitalists; the farming class is neglected. Even Karl Max paid no attention to this class. Lenin only called this class as allied troops to strengthen the revolution. But Dr. Sun paid special attention to this class. He said the government should provide machinery, etc- for the farmers.

From the above it will be seen that the communistic theories are theoretical, while Dr.Sun's principles are practical. The communistic theories are radical while Dr. Sun's principles are moderate.

Destructiveness of the People's Revolution

Revolution is admittedly destructive in nature. It is the same as to say war is a crime; war is destructive, but at the same time, one has to admit that war is father of everything; war is a biological necessity; war is a weapon of self-preservation. No building could be erected unless the old ones are demolished.

But the word "destruction" in this case means the destruction of obstacles of the revolution rather than in the ordinary sense of the word. In China, old institutions, customs, tradition are so deeply impressed in the people's minds that the Peoples' revolution has many things to destroy before it can set up a new era. To Dr. Sun there are two great obstacles to the Peoples Revolution, one being foreign imperialism and the other militarism. As to the old institutions, religion, etc., which may be obstructive to the Peoples' Revolution, the revolutionists will not spend any time on them—as they will be done away with by means of education.

(1) Foreign Imperialism:—Imperialism means a policy of adding distant territories for the purpose of controlling their products, getting the trade with the natives and investing money in the development of the natural resources. Imperialism may be said to be over-developed capitalism. It aims at not only the ruination the country but at the destruction of the means of the people's living. As the People's Revolution has as primary purpose the improvement and protection of the people, it certainly first hits foreign imperalism.

Both Communists and Dr. Sun aim, at the termination of imperialism, but their methods are different. Communists try to accomplish their object by starting the rankless or class struggle as advocated by Karl Max. It is predicted that the struggle between the capitalists and communists will assume an even more bitter aspect than great World War. But to Dr. Sun, the first step is to "disarm" these imperialists by taking away all special rights and priviliges that were given to them. To him, the progress of mankind is not by competition but rather by mutual help. To arouse the racial feeling of the people, and to improve their political capacity to better their means of living, is to do away with imperialism. This explains why China is aiming at the abrogation of unequal treaties.

(2) Militarism:—Militarists are men who have no nation, in mind, and know only how to recruit soldiers for territonal aggrandizement and interests. They are a necessity for two reasons. First, They are weapons of foreign imperialists. If there is a militarist, there is always a chance for foreign imperialists. Secondly, Militarism is a great obstacle to social progress, for under mililarist domination, there will be no freedom of speech, press, nor gathering. Organzation for any purpose whatever is not permitted. They want China to return to is the feudal stage. But we want to beat them down, not because they are men of different class, but simply because they are dangerous to the country. This, however, is not to be considered a class struggle.

Constructiveness of the People's Revolution

A real revolution is one that is both destructive and constructive. Mere destruction unless it is accompanied by constructive meaures is a mere rebellion. The people's revolution starting with the idea of destroying every obstruction and discarding all old institutions, has a constructive aim behind it. The motto of the People's Revolution is to beat down imperialism and militarism and to put the Three Peoples' Priniciples into execution. Let us study briefly what are the Three People's Principles, and how China could be reconstructed after the adoption of these principles.

(1) The first principle is that the Chinese people should unite to form a solid Chinese race union.

(2) The second principle is that the people should have direct participation in the government, the following powers to be given to the people—the powers of election, initiative, recall, and referendum.

(3) The third principle is that the conditions and interests of the common people shall be improved and protected, by restricting capitalism and enforcing the principle of equality of control of the lands, and, further, the doctrine that the means of production be owned by the state.

From the above, it will be seen that after these principles are put into execution, China will be an independent China, and the Chinese government will be a government of the people, by the people and for the people. This is the result that the People's Revolution will produce.

The Far Eastern University, Shanghai, Sept. 21, 1927.

Undermining American Palicy in China

(*Continued from page 233*)

that *The Review* was subsidized by Red political groups in China, although no such accusations were made. That would be libel. Following that action of the Chamber, some firms withdrew advertising from *The Review* and others gave intimations that, when their contracts expired, they would not be renewed unless *The Review* changed its policy. Mr. Powell refused to alter the policy of of *The Review* and has continued to advocate the established policy of the American government. which, as now appears distinctly, is deprecated by America business organizations in China and by important officials of the government there.

After the Hankow and Nanking regimes had replied evasively to the identic note of the powers about the Nanking incident, a major part of the foreign press in China, and especially the British press, demanded that the note should be followed by another one in the form of an ultimatum with sanctions. It was generally believed that decision of that matter depended on the American government; for it was felt that other powers would hesitate to act without the consent and cooperation of the United States. When it became known that Washington would not go any further and would not permit the American Minister to join in an ultimatum, there was angry and embittered criticism of the American government, which was accused of abandoning its colleagues after having led them to expect its firm cooperation. The evidence to justify that grave charge is circumstantial, and rests on the belief that the American Minister at Peking, in talking with his diplomatic colleagues, committed his government to the ultimatum and sanctions program. As one diplomat was heard to put it: "The American Minister promised to deliver his governmet, but he failed to bring it off." Yet that despatch of the United Press which the legation wanted to suppress shows that, prior to the first Nanking note, the American government rejected the ultimatum proposal. Had a second note, with ultimatum and sanctions, been signed for the American government, the American people a few days thereafter would have learned, probably with amazement, that their nation had embarked in a military intervention in China.

The Crucial Moment

American officials in China, and especially the legation, had acted and talked, albeit confidentially, in a way to cause a belief that the United States, having fallen in with the ultimatum method of treaty enforcement in the Taku incident, would go along with it in regard to the Nanking affair. But Washington either had seen a light or was made uneasy by prospects of "cooperation," as it was being developed by the Peking Legation Quarter; for it drew back. Chinese were quick to note the change; for they had previously observed the attitude of the legation, and their faith in American policy was partly restored. Whether that faith can survive further diplomacy of that kind is problematical.

It is questionable, also, whether the established policy of the United States in regard to China can be advanced or even kept from losing ground with American officials and interests in China working against it. The American government cannot control and is not responsible for opinions and utterances of its private citizens; but it can select and dispose of its diplomats, and because of this power it is held responsible for impressions they give in foreign lands. On the good-will side, American diplomatic work in China during the past two years is an almost total loss. Any salvage is due mainly to the American press in China.

Japan In Manchuria

BY THOMAS MING-HENG CHAO

AT the Peace Conference of 1919 few persons realized that what Japan demanded in Shantung was no more than what she had obtained in Manchuria. The really significant point in the whole matter was that by 1919 the seizure of Chinese territory seemed less permissible than in 1842 or 1905. It seemed less permissible because the doctrine of self-determination had made headway, and because in China the younger generation had become ardent nationalists, and bitterly resented any further encroachment on their territory.

Specifically, Japanese aggression in Manchuria has meant the virtual annexation by a ninety-nine year lease of several hundred square miles around Port Arthur and Dalny and the establishment of spheres of interest. Japan owns the vital line of communication—the South Manchurian Railway, a concern partly owned by the Japanese government. With property valued at $700,000,000 and share capital of $220,000,000, this company has made net profits rising from $1,000,000 in 1907-8 to $31,000,000 in 1921-22. Its dividends have risen to ten per cent. The Japanese sphere of interest in Manchuria is a matter of ten per cent dividends.

The growth of the prosperity of Manchuria may be best measured by the growth of Dairen, its port. The population has grown from 50,000 in 1914 to over 200,000 today. If one goes through the three provinces of Fengtien, Kirin and Heilungkiang, one will see the great coke ovens of the Anshan Steel Works in South Manchuria, the American steam shovels at work in the Fushun collieries, and an endless vista of bags of soya beans, piled high in the railway yard at Changchun, awaiting shipment to Japan. When he steams out of Dairen, he will probably count fifty funnels of big ocean-going cargo steamers. There are perhaps many more at wharves too far off to be counted. All this represents Japanese effort and enterprise. And above all this is the background of Japan's foreign policy in China.

Japan's policy in China (or her stand in Manchuria) is different today from that of any other imperialist powers, especially Great Britain. Her interests are infinitely greater than Great Britain's, but she does not make such a fuss about them. Far more is at stake, but much less appears to be. Japan's policy has frequently been declared. It is open. There is no doubt about it. Where they have interests they say so, and further, they mean to hold them. Japanese diplomats used to press their claims by threat of force. Now they are not continually waving the Japanese flag, or bombarding China with shells and ultimatums. Speaking at the fiftieth session of the Diet, the Japanese Foreign Minister declared:

Japan's Intense Interest In China

"We are interested in the whole of China to an extent and in a degree absolutely essential to our national existence. But more particularly keen are our national sentiments over Manchuria and Mongolia, because of historic reasons in addition to these general considerations. I refer to the fact that Japan, in self-defense and in the interests of peace in the Far East, staked the country's fortunes on two great wars in the Manchurian plains. By such supreme efforts, we are enabled actively to engage in peaceful undertakings in that region."

In other words, all opposition in Manchuria has been crushed.

There Japan will stay. Her arguments in defense of her Manchurian policy, as popularly presented, are:

Some outlets must be found for Japan's surplus population. Her population is relatively dense, it is true. But it must be clear by this time that the territories Japan has annexed have not been outlets for population. Japan's development of Manchuria is not a matter of colonization. Manchuria is inhabited by about fifteen or twenty million Chinese, mostly hard-working farmers. It is more an investing ground for money than a field for emigration, as Japanese labor cannot compete with the lower standard of living of the Chinese worker.

Japan needs raw materials and food, especially rice and iron and coal. This, indeed, is true. It is true, however, in one form or another of every industrial nation. The Fushan coal mines, which form one of the principal assets of the South Manchurian Railway Company, are located about twenty miles east of Mukden and are connected by rail with the main line. The output in 1926, according to Henry W. Kinney in his bulletin "Manchuria and the South Manchurian Railway Company" issued by the Manchuria Daily News in Dairen, was 5,737,306 tons, which will be increased by 1932 to 8,000,000 tons annually. Iron, a most important commodity to industry, only very small deposits of which is found in Japan. The annual output (pig iron) of the Anshan plant was 88,263 tons in the fiscal year ending March, 1926, but the production is to be increased to 200,000 tons annually. The development of the natural resources in Manchuria is therefore vital to the development of Japanese industries. None can deny that. It is a fact. But the question remains whether a nation should buy its raw materials or annex them.

Japan claims she has a civilizing mission in Asia. Japanese development of Manchuria means economic prosperity, efficient administration, sanitation, fine public buildings, and railways. This also is true, in certain respects. An idea of the amounts spent by the South Manchuria Railway Company on public service enterprises may be gained from the following figures for the fiscal year ending March 31, 1926:

Hospitals	Yen 4,419,869
Schools	2,445,580
Central Laboratory	303,403
Agricultural Experiment stations	265,000
Libraries	150,000
Sanitation	81,000
Encouragement of industrial enterprises	932,000
Afforestation	72,000
Subsidies to local administrations	2,715,456

Cultural and Economic Interests

In many respects Dairen, according to Mr. Kinney, is the most modern city in China with excellent water and sewer system, wide streets and many handsome stone and brick buildings, including numerous banks, public structures, hotels, etc. No Japanese will deny, however, that her interests in Manchuria are preponderatingly economic.

Some Japanese claim that Japan holds Manchuria primarily for strategical and not for trading purposes; that Manchuria and Korea form one side of the Japan sea; that under no circumstances can they be allowed to fall into foreign hands, and perhaps, be used to provide bases, in case of war for hostile submarines.

But the real causes of Japanese aggression in Manchuria lie chiefly in the profit motive on the part of certain Japanese capitalists; the imperialism of the militarist class; and the supporting patriotism of the common people. The militarists, like militarists in China and all over the world as far as that is concerned, have been intent on conquest, and have looked upon the Manchurian situation almost exclusively from the point of view of warlike strategy.

Opposed to the militarists in Japan, there has developed among the intellectual class a strong liberal movement, and a demand for democracy on the part of the masses. It has been repeatedly demonstrated that the tendency toward a policy of conciliation is rapidly growing. Japan restored to China Tsingtao, the Shantung railway and other privileges. She withdrew her troops from Hankow. She dropped the idea of an "Asiatic Monroe Doctrine." There are a number of other less advertised actions, such as her support of Chinese opposition to a foreign railway supervisorate, her attitude on certain issues at the Tariff conference and her unwillingness to take vigorous action in a number of recent incidents in which Japanese nationals have been killed or injured. All of these circumstances and others reverse the attitude exhibited in the Twenty-One Demands. Their effect upon Chinese sentiment was described in an address before the Sino-Japanese Business Men's Association in Tokyo by Sadao Saburi, chief of the treaty bureau of the Foreign Office:

"The Nationalist government has so far entertained friendly sentiment toward Japan. It seems to depend on Japan's friendship more that of Russia."

Friendly Attitude of Japan

Beyond doubt this friendly attitude will succeed. In spite of the present disturbances in Manchuria, this is not an immediate issue and will not be one for a few years to come. China is not in a position to deal with the Manchurian problems. Prejudiced nationalism in China and in Japan will not permit their governments to discuss the question upon a liberal and conciliatory basis.

Will Japan's policy of supporting China's wishes elsewhere prove an adequate compensation for South Manchuria? It is highly problematical. In the development of Chinese nationalism there will not be room for the obvious political control and unrestrained, sweeping economic activities which Japan now exercises in Manchuria. Either Japan will have to restrict herself to purely economic enterprises or she will have to annex the region by armed force. So long as the Chinese continue, as they do today, that Japan contemplates—given the time and circumstances—the annexation of Manchuria, Japan will find it difficult to bring about that Sino-Japanese friendship which today she is seeking so consistently.

Japan's former policy in Manchuria has looked primarily to immediate profits, rather than to ultimate results. Their concern has been with their own generation. The stakes in which they have been interested are the railways, mines, commerce, loans, and naturally the strategic and territorial accompaniments of such economic affairs. Few persons re-

alise that the growth of Japan's trade with China has been so rapid, that her trading interests in that country as a whole are becoming of more importance than her investments and commerce in Manchuria. Chinese commerce has developed from almost nil eighty years ago to 1,800 million dollars a year (average 1919-24). Japan obtained 24%, United States 17%, Great Britain 9% and the Anglo-Chinese port of Hongkong 25% of this trade.

Chinese trade means over two hundred million dollars a year to Japanese merchants, chiefly Japanese importers of beans and beancake, silk and raw cotton, and exporters of cotton and metal goods. Incidentally, the Chinese trade gives employment to hundreds of Japanese ships. Finally Japanese bankers have lent China millions of dollars, usually at a relatively high rate of interest, as the investment is somewhat risky. In addition to these public loans, there must have been hundreds of millions invested in private commercial and industrial ventures, and in banking institutions in China. To some extent, at least, one would imagine that this should bring about a change in Japan's policy in Manchuria.

The Japanese side of the issue should be studied with sincere sympathy. Just the same, the former aggressive policy of the militarists in Japan has to change. In course of time, there can be little doubt the liberals in both countries will triumph. The Japanese government will be made genuinely responsible to the wishes of its people and the militarists will be forced to the background. Such a change would not necessarily mean a total abandonment of Japanese undertakings in Manchuria. But it would probably mean the substitution of the more peaceful and subtle methods of economic investment and trade for the aggressive militarism of the old regime.

Peking Oct. 25, 1927.

Flurry In British-American Tobacco Shares in London

According to a *Reuters* report from London on October 25, the market value of shares of the Imperial Tobacco Company and the British-American Tobacco Company, were reduced during one week by a market valuation of £10,000,000 on account of reports of an impending war with American interests. The report stated that a price-cutting war was threatened on cigarettes in England owing to an alleged violation by the British-American Tobacco Company of an agreement allocating the markets of the world between conflicting interests. It was due to this agreement that the Imperial Tobacco Company was formed for the purpose of operating in British markets and its creation of subsidiaries in the British Dominions. It was also stated in the report that American manufacturers had recently acquired a controlling interest in a certain widely advertised brand of cigarettes which belonged to a British firm outside the two big combines mentioned in the foregoing.

V. Fong Lam Appointed Business Manager of Kiangnan Dock

V. Fong Lam, manager of the firm of Lam, Glines and Company, has been appointed business manager of the Kiangnan Dock and Engineering Works, the Chinese Government dockyard located at Shanghai, which is now engaged in the construction of a number of ships for the account of the U. S. Navy Department.

Mr. Lam is a graduate of the Massachusetts Institute of Technology and was a classmate of T. C. Mar, the present director of the engineering department of the Kiangnan Dock. After finishing his course at the Massachusetts school, Mr. Lam entered the employ of the New York Shipbuilding Company of Camden, N. J., as an ordinary day laborer and later was promoted to an executive post. Since returning to China, Mr. Lam has been engaged in the construction business, his firm having erected numerous office buildings, bridges, etc. He is an active member of the Shanghai Rotary Club, American University Club and other organizations.

Junk Used American Flag for Sails

On a recent trip of the U. S. S. Parrott from Nanking to Shanghai, the officers observed the unusual spectacle of a Chinese junk sailing along with a sail made from three large American flags sewed together. The officers of the Parrott at first thought the junk was some new and strange type of craft used by some American company, but investigation showed the junk to be one of the ordinary type which are used on the Yangtsze. The Chinese crew of the junk claimed they had found the flags floating in the river and admiring the colors had used them for a sail, but this story was doubted, it being thought the flags had been stolen from some American building on the Yangtsze which had been evacuated by the proprietors last spring. The officers of the Parrott warned the owners of the junk against such unauthorized use of the American flag.

American Chamber Committee Entertains Nationalist Officials

The members of the Committee of the American Chamber of Commerce at Shanghai on Monday evening, October 31, entertained at dinner at the American Club the officials of the Nationalist Government, the Chinese present including Dr. C. C. Wu, Minister of Foreign Affairs; Dr. Wang Chung-hui, Minister of Justice; Sun Fo, Minister of Finance; Quo Tai-chi, Commissioner of Foreign Affairs; Lee Choy, head of the *Kuo Min* news agency and one or two others.

C. H. French, vice-president and treasurer of Andersen, Meyer and Company, who is chairman of the American Chamber, presided at the meeting. The function constituted an innovation in that it was the first time that such a function participated in by members of the American business community and Chinese officials has taken place in several years. E. S. Cunningham, American Consul-General and Bland Calder, U. S. Trade Commissioner, also attended as guests. Numerous speeches on the subject of Chinese-American friendship and policy were made and following the dinner there was a general discussion of particular problems which have adversely affected Chinese-American relations in the past, particularly since the Nationalists came into power in the Yangtsze Valley.

It was generally felt that the function constituted the beginning of closer and more friendly relations between Americans and Chinese, those present feeling that the time had arrived for eradicating the barriers which have existed for several months in Chinese-American relations.

Did Lamont Arrange for Loan to South Manchuria Railway?

There has been considerable speculation regarding the purpose and results of the recent visit of Thomas W. Lamont of J. P. Morgan and Company to Japan. Mr. Lamont was accompanied on his trip by Martin Egan, Edwin Sangers and Jeremiah Smith, all members of the Morgan firm and also by Dr. Edward P. Eglee, a physician, and although it was announced that the trip was for pleasure only, reports persist that opportunity was taken to discuss financial matters and especially a loan to the South Manchuria Railway Company. The *Osaka Mainichi* on October 20 in the course of an article dealing with Mr. Lamont's visit had the following to say regarding loan negotiations: "The much-discussed interview between Mr. Thomas Lamont and Mr. Yamamoto, President of the South Manchuria Railway Company, has become a matter of impossibility. Consequently, the proposal to the Morgan concern in regard to the flotation of a loan in the United States is not to be discussed in Tokyo."

In addition to the foregoing, there was a report in the *North China Daily News*, the official British newspaper at Shanghai on Oct. 24 which stated that a loan of G. $30,000,000 had been arranged for the South Manchuria Railway Company while Mr. Lamont was in Japan but that the final negotiations would have to be conducted in New York upon Mr. Lamont's return to that city. On the other hand, there have been reports that the loan, if actually made, was not to the South Manchuria Railway, but to the Yokohama Specie Bank, the change having been made owing to certain alleged objections which the State Department had raised due to the fear that an American loan to the South Manchuria Railway might prejudice American policy toward China from the standpoint of the Open Door.

Interest in the subject of further American loans to Japan was heightened during Mr. Lamont's visit due to an address which he delivered in Tokyo in which he referred critically to financial conditions in Japan making the statement that Japan might have greater difficulty in borrowing money in America than she might experience in England owing to a difference in American and British official policy respecting foreign loans.

Foreigners Residing at Nanking

According to information compiled by the Nationalist Ministry of Foreign Affairs and circulated by the *Kuo Min* News Agency there are now altogether 22 foreigners living in Nanking.

Eight of these are Americans, on the staff of Ginling College. They are as follows: Margaret Andrews, Beatrice A. Buse, Ruth M. Chester, Martha M. Hackett, Cora D. Reeves, Catherine E. Sutherland, Mary B. Treadley and Minnie Vautren. The three other Americans at Nanking are J. Thomson and Mr. S. Bates, teachers at the University of Nanking, and W. P. Mills, Y. M. C. A. secretary.

The British residents at Nanking are: George Duncan Jack, Charles B. Tweedie, William W. Ritchie, H. C. Johnson, R. Emerson and J. Stimson.

Jean Jouvelet, accountant in the post office, is a Frenchman.

Foreign Genius and Chinese Skill in the Egg-Freezing Business

The recent departure from China of William L. Carleton calls attention to a notable instance of the excellent results that are obtained when foreign technical genius combines with Chinese merchandizing and manufacturing skill. Mr. Carleton for the past five years had been technical adviser to the China Egg Produce Company, whose establishment in Whangpoo road, Shanghai, is one of the largest and best equipped egg preserving plants in the world.

Eggs are preserved in a number of ways, but the most improved and the best method is that of freezing, a process which was introduced into China by Mr. Carleton, and which the China Egg Produce Company, a purely Chinese concern, has developed to a high degree. One of the "sights" to be seen in Shanghai is the despatch almost weekly through the streets of Shanghai of "Swift's" frozen egg products and the man in the street may often command the confidence of buyers abroad, but as Chinese in other lines have done so, there is no reason why, if strict attention is paid to details, the China Egg Produce Co. may not go on and win even higher laurels than it has up to this time.

There are several-egg freezing establishments in Shanghai, but none of the foreign-owned concerns are either so large or so prosperous as the China Egg Produce Co. Just as in making a rabbit pie the old recipe mentioned that the first thing was to get the rabbit, so in making a frozen egg product it is necessary first to get the egg. A Chinese company will naturally buy to better advantage than a foreign one, and Y. S. Cheng, general manager of the China Egg Produce Co., has the reputation of knowing more about where eggs come from in China and how to get them to his plant at the cheapest price than any one else, either Chinese or foreign. Likewise the plant is most conveniently situated both for receiving shipments of eggs and sending out the finished product.

Lighter Constructed by the New Engineering & Shipbuilding Works, Shanghai for the China Egg Produce Co. It has a Capacity of 400 Tons, Is Equipped with Refrigerating Apparatus and Is to be Used Exclsuively for the Transport of Eggs.

The mainstay of an egg freezing establishment is naturally the refrigerating equipment, and the plant of the China Egg Produce Co. is unique. Here is where Mr. Carleton's initiative came in. Mr. Carleton after long experience in the older methods of egg preservation came out to China for the Hennigsen plant, which is primarily a freezing establishment. Later he helped to organize a modern ice and cold storage plant, which promised to make such a "dent" into the business of the older established British concern in that line that the latter bought out the American venture at a handsome profit to the promoters.

It was at this point that Mr. Carleton joined hands with the China Egg Produce Co. and induced them to strike while the iron was hot, if one can use such a simile in connection with a cold storage plant. At any rate Mr. Carleton worked day and night on drawings on a two to one scale for the casting and machining of huge compressors which were made in less than two months time in the Ah Sing shipbuilding establishment up the Whangpoo. Two such Chinese-built machines were put in and are still working away day and night in the Whangpoo road establishment. As the business grew further machines with automatic devices were ordered in America, the combined plant, as already stated, being one of the best and biggest egg freezing plants to be found anywhere.

Always open to improvements, the China Egg Produce Co. has recently had built a 400-ton capacity lighter, equipped with refrigerating apparatus. It is to be used exclusively for egg gathering trips up the Yangtsze river, and its use will ensure that the eggs when they arrive at the factory will be fresh and in sound condition. The lighter was built by the New Engineering shops in Shanghai, and one or two more of a similar type are to be put into service in the near future.

wonder what it means. The answer is that through the reputation which Mr. Carleton had built up for the China Egg Produce Co., Swift's, the great Chicago packing house, were regular purchasers of the Shanghai product, and so confident have Swifts been that whatever was passed by Mr. Carleton must be all right that they consented to have the packing and branding under the Swift name done right here in China.

The public has not been let into the secret of why Mr. Carleton and the China Egg Produce Co. have parted company, but presumably the Chinese owners of this great establishment feel that they have so thoroughly mastered the secrets of the process that they are financially justified in "dropping the pilot". Time alone will tell whether the Chinese themselves, in such a highly specialized line, will be able to

Shanghai Post Office Control in Dispute

For the past several weeks the Chinese post office at Shanghai in common with post offices in Kiangsu generally has been the subject of much discussion between the authorities at Peking and the Nationalist officials in control in this neighborhood. From the point of view of the Nationalists it is of course an anomaly that the control, and particularly the financial control of the most important post office in China, should be in the hands of Peking, whereas the post office itself is situated in purely Nationalist territory. The Nationalists are loath to take any step that would mean a disruption of the service, but at the same time they are continually bringing forth the point that they are not satisfied with conditions as they exist at the present time. From letters made public recently it appears that the Nationalists are quite willing to work with the Peking authorities on a basis of cooperation, but they are unwilling that the control, and particularly the financial control, shall rest solely with Peking. In a recent telegram sent by Wang Pah-chun, Minister of Communications of the Nationalist government, to H. Picard-Destelan, Co-Director General of Posts at Peking, a request is made for cooperation and for a practical working arrangement. The last sentence of the telegram reads: "If Peking still refuses cooperation the Directorate-General of Posts in the North will be held responsible for any resultant untoward events." The latest news from Peking is that the Northern government refuses to alter its attitude of insisting on sole control.

China Medical Board Issues Report for 1926

The twelfth annual report of the China Medical Board Rockefeller Foundation) has just been issued. It covers the calendar year of 1926. The work of the Board proceeded without serious interruption in spite of civil wars and other disturbing events. The Peking Medical College, which is supported by the Board, graduated its third class in 1926 consisting of a seven Chinese and one American.

The Monkey with 72 Transformations!

—from the famous Chinese Proverb Book "A Journey to the West"

As recorded in this Book of Proverbs, a Chinese priest of the Tong Dynasty started towards the West in search for the original Doctrines of Buddha. It took him 14 years to reach the destination and he was besieged at numerous times by spirits and demons of every description. Saved 81 times on the edge of death by his three disciples, one of whom, a monkey spirit, possessed immortal power. Among other miracles, this monkey could transform itself into 72 different groups of objects at will.

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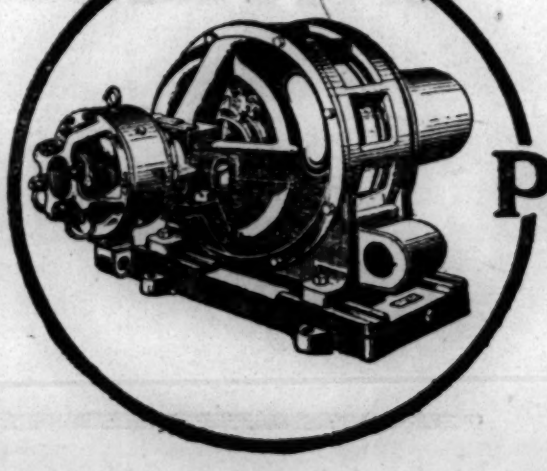
Light  Power

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Japan's Subsidized Press In China

BY J. A. J.

UP to the time of the Washington Conference, the Imperial Japanese Government carried on an intensive press propaganda in China (inclusive of Manchuria). It has been jocularly said that the amount the Imperial Japanese Government has spent in press propaganda to justify its position and its acts could finance a scientific expedition twice the size of that of Roy Chapman Andrews. This may, of course, be an exaggeration, but there is no question but that in China, inclusive of Manchuria, the Imperial Japanese Government, until the time of the Washington Conference, controlled a large number of newspapers and periodicals printed in the English, Chinese and Japanese languages. Huge sums--from the independent newspaper man's point of view—have been spent in financing them and, generally speaking, in pushing them along where, otherwise, many of them would have ceased to exist altogether. As a matter of fact a number of the newspapers and periodicals went out of existence promptly upon the introduction of a new policy at the conclusion of the conference, namely that of a general curtailment of press and other propaganda subsidies. These subsidies and grants may be divided into several classes, as under:—

1. Regular subsidies, monthly or quarterly.
2. Irregular subsidies, such as carrying of deficits up to a certain amount.
3. Grants to writers whose attitude to the Imperial Japanese Government is a favorable one.
4. Grants to publishers friendly toward Japan.
5. Indirect assistance.

Until the time of the Washington Conference the Imperial Japanese Government supported eight English language publications and a host of Chinese and Japanese language publications in North, Central and South China and in Manchuria and Korea. During the time of the intervention in Siberia, the Imperial Japanese Government caused a Russian language newspaper to be operated under the style of the *Vladivo Nippo* at Vladivostok.

Letters of Introduction

Under the heading "Indirect Assistance" writers and publishers are furnished with sure-fire letters of introduction to Japanese corporations, industrial companies, dockyards, railways, etc., requesting the favor of support to the bearers of these introductions, in the shape of advertisements and subscriptions. These letters of introduction never fail to bring good results for they are in fact more than mere introductions—they are a command that you are to support Mr. So-and-so of the Such-and-such since the publication in question is friendly in its attitude towards Japan; in other words: the Imperiel Japanese Government. One American publication in Shanghai, armed with such a letter of introduction, secured enough Japanese advertisements and subscriptions to make up for losses in other directions—of course, in consideration of a friendly attitude towards Japan. In the case of another Shanghai publication which has since changed hands, the Japanese Government caused the Yokohama Specie Bank to finance purchases of that newspaper's shares and through that manner a Japenese was by virtue of the great number of shares he represented, appointed to the paper's directorate.

It is easily understandable how such letters of introduction are capable of effecting the desired results when one considers the fact that such corporations as the Nippon Yusen Kaisha, the Osaka Shosen Kaisha, the South Manchuria Railway, the dockyards, spinning mills, colonization companies etc. are all in receipt of government subsidies or grants themselves and are all, consequently, semi-official institutions themselves.

However, after the Washington Conference, a policy of curtailment of press propaganda was introduced, as a result of which the several Japanese supported organs either went out of existence altogether or had to reorganize themselves in order to meet the new conditions.

Conflicting Policies

The editorial policies of the English language publications have often not tallied with those of the Chinese and Japanese language publications. For example, while the English language papers may be counseling the building of American-Japanese friendship on the one hand, the Chinese and Japanese language organs may, on the other hand, be engaging in red-hot anti-American propaganda at precisely the same moment. During the height of the anti-Japanese feeling in China,

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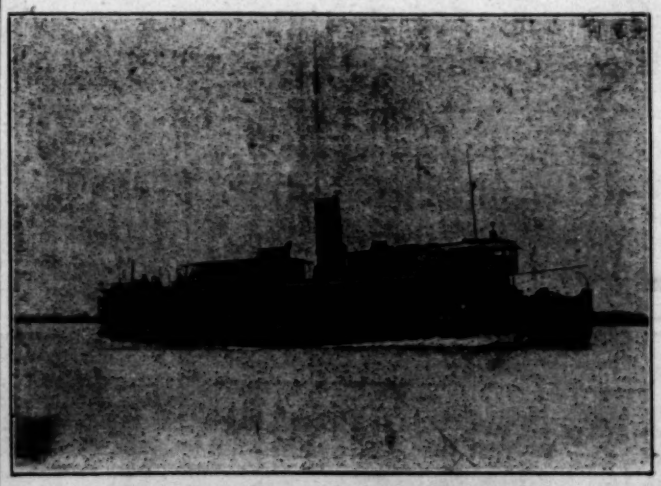

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following the presentation of the world-famous Twenty One Demands by the Imperial Japanese Government upon Peking, these Chinese and Japanese language organs strenuously endeavored to divert Chinese attention to the United States! Things are now conducted on a different footing, for the Japanese Government has since learnt that many of the foreigners in China are pretty well conversant with the Japanese and Chinese languages. The average idea of the average Japanese is that the foreigner does not know the Japanese language. Being poor linguists themselves, the Japanese consider the foreigner in the same light. The result has been that Japanese-owned Japanese and Chinese language publications in China have made many a serious blunder.

In the matter of the English language organs, the Japanese Foreign Office has hitherto relied upon British propagandists. It must be remembered that the first regular propagandist the Imperial Japanese Government had was the late Captain Brinkley and he was quite a successful propagandist under the circumstances. An excellent writer and a pretty good logician, the late Captain Brinkley had the knack of calling a spade an agricultural implement. Some Japanese statesman or other,—perhaps it was the late Viscount Okuma,—has been heard to declare that "the power of Brinkley's pen has been worth more than that of a battleship." But Brinkley was the only successful propagandist the Japanese ever had. The rest have done Japan more harm than good. Could anything ever be more crude than the assertion of a certain British editor in the payroll of Japan that instead of presenting but Twenty One Demands the Japanese Government might have presented a good many more? or that of a Tientsin journal that the Washington Conference might well be called the "Conference for the Purpose of Curbing the Power of Japan?" Consequently, the Japanese Foreign Office has, in recent times, turned more and more to propaganda work in other directions and, in publicity, has, as far as has been possible, resorted to the employment of Americans. The *Japan Times & Mail* is under American editorship, the South Manchuria Railway has an American in its publicity department and the publicity work of most Japanese semi-official corporations is in the hands of Americans. Even such an important publication as the London *Times* now no longer has the same kind of pull it formerly had over the Japanese Government. (The London *Times* used to issue regular Japanese supplements and Heaven alone knows how much money the Japanese had to part with for them!)

Suppressing Independent Writers

Where possible, the Japanese Government has endeavored to suppress and in some instances have managed to suppress independent foreign writers and publications. The *Korea Daily News*, published by a British subject at Seoul, was persecuted and forced out of business and the *Seoul Press* established in its stead. The history of the *Japan Chronicle* is one long story of Japanese police interference and activities that are worthy of a better cause. And rumor has it that the late Mr. Robert Young had been offered a handsome fortune, time and again, for his fearless newspaper.

But times have changed. And the Japanese Government has since discovered that better propaganda can be achieved in other fields than through dishonest journalism. For example, in subsidizing steamship companies, the Japanese Government has the satisfaction of seeing the Japanese flag carried to the poles of the earth; in subsidizing industries, the Japanese Government has the satisfaction of stimulating a demand abroad for Japanese goods; in establishing hospitals and educational institutions in China proper and in Manchuria, Formosa and Korea, the Japanese Government has the satisfaction of engaging in cultural work; and so on and so forth. All this is honest endeavor and ever so much more worth while than wasting money upon publications and propaganda of questionable merit.

Consequently, with the exception of only a small number of organs, subsidies and grants under categories 1, 2, and 5 have been dispensed with.

In the case of Japanese language dailies, even the Japanese in China, Manchuria and Korea say it is a good thing, for it tends to eliminate incapable editors and publishers and to consolidate the position of the worthier ones. Irresponsibility has been a feature of Japanese journalism in China, Manchuria and Korea. Erroneous statements have often been wilfully left uncorrected, or, if corrected, the correction would be made in the smallest type available and tucked away between advertisements in such a manner that hardly anyone would ever notice it. If the editor or the paper's reporters should have a grudge against anybody, the columns of the paper would be filled with scandalous stuff and written in such a way that while everybody knows to whom the attack is referring, yet at law the victims could have no recourse or satisfaction. It is a sad commentary upon the state of Japanese intelligence that the journalist is considered a low sort of fellow and yet, when one ponders over the fact that Japanese

journalism is a fifty-fifty blackmailing proposition, one at once learns to appreciate to some extent this extraordinary valuation upon a profession which in the West is regarded as a high calling.

The Machinery of Control

Since the Japanese Foreign Office is itself unable to dictate its policy on any given subject to the newspapers scattered over China and Manchuria and engaging its support, this function is taken over by the Japanese Legation and Consular authorities. (In Korea and Formosa this function is taken by the offices of the Governors-General, assisted by the police.) Journalists are gathered together from time to time and given points and hints as to what to say. Sometimes the Consular people go beyond the limit, and thereby cause embarrasment to the Foreign office!

In China, inclusive, of course, of Manchuria, all the Japanese newsagencies enjoy subsidies or grants and the tendency now is to increase the support given to these news agencies and decrease that accorded to the press. In Japan, the *Kokusai* used to be the mouthpiece of the Japanese Government. It has since been taken over by a group of Japanese newspapers and run under the style of the *Associated Press of Japan*. In China, the *Toho* receives the largest support and has access to all the intelligence departments of the Japanese Government. The newsagencies seem to be less irresponsible than the newspapers but that is not saying a good deal on their behalf. "Incidents" are often exaggerated and fictitious "opinions" quoted. Any Chinese outburst against foreigners or the foreign Powers are made capital of, whereas Chinese outbursts against the Japanese are either unduly minimized or grossly exaggerated to the extent required. Dispatches supplied in English to the foreign newspapers do not necessarily agree with the tone and contents of those furnished the Chinese and Japanese newspapers.

Independent Japanese Journals

There are independent Japanese organs, of course, in China, Manchuria, Korea and Formosa as in Japan proper but they are subject to censorship and the people running them are subject to deportation to Japan (as in the case of the editor of a Tsingtao Japanese paper who found courage enough to criticise his own authorities). Japanese newspaper men in China (either free-lance or belonging to independent organs are subject to the whims of their consular and police authorities. It is, perhaps, not very widely known that British journalists in China are affected by certain ordinances in Council, but the position of the independent Japanese journalist in China is a good deal worse. If he show independence of his consular authorities he stands to lose certain news facilities. The case of Randall Gould with the American Minister at Peking, if true, is nothing to compare with that of many an independent Japanese journalist in China. The writer personally knows of several who have not only been barred from news facilities but prevented from other privileges, including membership in clubs. Under official aegis, these unfortunate men are ostracized as though they were ex-convicts.

The Japanese residents in China above the intelligence (or is it ignorance?) of the average shopkeeper, are fairly well conversant with the situation and, consequently, those who understand English sufficiently well, make it a point to subscribe to some English-language paper or review so as to post themselves up to the real situation—and invariably greater confidence is placed in the non-subsidized organ.

The Japanese police exercise great powers over the suppression of publications and the contents of publications. They are forever on the lookout for manifestations of "dangerous thoughts." This is particularly true of Korea. Newspapers are suppressed upon the slightest pretexts and Korean newspapermen are daily fined, scolded or imprisoned "for not complying with the press laws." Even newspapers coming over from Japan are sometimes prohibited from circulating in Korea. It may be all right for readers in Japan to read them but in Korea they come under the category of "dangerous thoughts." And even foreign newspapers are not immune. By virtue of their independence, the *Japan Advertiser* and the *Japan Chronicle* enjoy a large circulation amongst missionaries in Korea. These papers are often withdrawn from the post on account of their "dangerous" contents, particularly the *Japan Chronicle*.

Dairen, October 12.

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Will China Turn to Communism?

MAXWELL S. STEWART

The collapse of the Nationalist movement in China has led many to wonder whether there is any force now at work in China which has sufficient vitality and cohesive power to unify the country. A year ago the Kuomintang movement was apparently sweeping the country, but due to its own inherent weaknesses it has failed utterly.

Like all great social movements the Chinese Nationalist movement was based upon a fundamental clash of economic interests. The two great barriers to China's economic development are the militarists, who feed like leeches on the nation's economic life, and the foreign business interests who have made use of the special privileges conferred upon them by the treaties to dominate the economic activities of the country. The Nationalist movement was concerned primarily with the eradication of these two evils in order that China might have the opportunity to control its own industrial and commercial development. Thus it was only natural that the Kuomintang should originally be a middle class party, but it was greatly strengthened when Sun Yat-sen enlisted the aid of Soviet Russia. The inclusion of workers and peasants in the party made it a movement truly national in scope, but this very combination which gave the party its strength was destined to bring about its downfall.

Sources of Revenue

It is a well-known fact that it was financial difficulties that really brought about the collapse of the Kuomintang. It cost vast sums of money to conduct the revolution; other vast sums were needed to develop China's economic life to such a degree that it could be independent of the West. It so happens that there are only three sources of capital within the country which are worth mentioning, and all of these are intimately tied up with the present system. The militarists themselves have amassed large fortunes, as have the politicians who have taken advantage of the chaotic conditions of the country to embezzle large sums from the public treasury—only they do not call it embezzlement in China. The third group of men possessing wealth are those who have made their money in collaboration with foreign business: the compradore class. It could not be expected that these groups would support the new regime, but the situation became critical when the middle class, who were the primary backers of the revolution, became alienated in large numbers by the rise in power of the workers and peasants. The conflict of interests within the party became of more immediate importance than that with the party's enemies. Chiang Kai-shek's government was in reality a counter-revolutionary movement supported by those bourgeois groups who feared that the Nationalist revolution would turn into a social revolution. Similarly in Hankow, it was the pressure of the merchant class that forced out the Nationalist leaders. As a result of this conflict between the workers and the middle class, the revolution failed, and the movement fell into the hands of a group of militarists of the very type that it was striving to destroy.

Deficient in Leadership

Nationalism is not dead in China, but the Kuomintang is. There is no reason to hope that there will be a renewal of the Kuomintang movement in the near future. The conditions in China are such that a revolution seems inevitable, but there is no party or group on the political horizon that gives promise of the strength to carry it through. It is well known that if it were not for the genius of Borodin, the past revolution would have crashed long before it did. The Chinese educated class are, with a few notable exceptions, deficient in leadership ability, there being three weaknesses ingrained in Chinese society and their way of thinking which make the organization and conduct of a successful revolution exceedingly difficult. The first is the excess of sectional and family loyalties which, because of the atmosphere of distrust and suspicion present, makes it very difficult for a truly national movement to be organized. Second, there is the great amount of squeeze and dishonesty which prevails in public life. This fault is frankly recognized by most Chinese leaders, but the opportunities for dishonesty are so great and the effect of public opinion is so small that even in the last great movement dishonesty was an important stumbling block. The third and perhaps most serious defect is the habit of quitting when under fire. That this is really a custom firmly imbedded in Chinese social life is illustrated by the fact that in one of the leading universities of the country, the student government changed eight or ten times during the past year. Chiang Kai-shek's resignation, coming as it did soon after the height of his power, seemed odd to Westerners, but it was quite the normal thing for a Chinese leader to do under the circumstances.

It would seem that the party that stands the most chance of success in China must be one that appeals to the basic needs of the people, that it must have a most rigid party discipline, and must command fanatical loyalty on the part of its members. As I see it the Communist party is the only one that has a chance of success on this basis. It appeals to the most basic need of the masses—the need for food. It commands all the fanaticism of a religion, and yet is primarily practical in its appeal. And it provides the rigid discipline necessary to prevent sectional interests or dishonesty from gaining the upper hand. Most important of all, the movement is a people's movement and is rooted in their basic needs. It is well to remember, also, that, through the deliberate tactics of Borodin the masses have had a taste of power that they will never forget.

Communist Party is Small

On the other hand, it is true that there has been a reaction against communism among the intellectuals of the country. It is very much of a question whether or not the party will be able to develop and train the leadership necessary to carry out a successful revolution. The Communist party is small and is composed almost entirely of workers of the most ignorant type, illiterate for the most part, whose lives have scarcely been on the human plane; yet I was told by a man in close touch with the Hankow government that more real leadership ability existed among this group than among the foreign trained intellectuals who were expected to bear the brunt of the revolution. Moreover there is among the student class an increasing number of communists who may well be counted upon to furnish the leadership in another decade.

The most fundamental reasons advanced against the growth of communism in China is the fact that as a system of economic organization it is not adapted to conditions in China. Many communist leaders will admit the truth of this assertion. China is for the most part a nation of small land owning farmers, while a very large portion of those not engaged in tilling the soil are small shopkeepers or craftsmen. For the most part the economic interests of these groups are incompatible with communism as it is ordinarily understood. But the fact remains that in China as in Russia the only groups that are effectively organized are the industrial workers and a very small number of the farmers. Communism is far more than a form of economic organization, it is a dynamic, fanatical, highly coherent social movement. Russia stands as an example of the manner in which a determined organized minority can rule a vast majority of the incoherent masses. In fact what government has the world ever seen which was not dominated by an energetic minority who knew what they wanted? Many times a single man has been able to dominate a vast empire, but the power of a small group impelled by the enthusiasm begotten of the union of idealism with self-interest is beyond imagination.

Among the Depressed Classes

For many years it was the orthodox Marxian doctrine that the social revolution would come first in those nations which were most advanced industrially. Recent history seems to contradict this theory, probably because, as Scott Nearing points out, in the countries least developed the economic structure is less rigid and solidified. Moreover the real proletariat of the world is found only in undeveloped countries like China. To a degree at least, the workers of Europe and America are living on the product of their Oriental brothers. It is only reasonable to expect that revolutionary doctrines will find their most ready hearing among the most depressed class—a class which has everything to gain and nothing to lose. No one who has watched the growth of the labor movement in China during these last six years can deny that a real class consciousness is being developed. The terrorism that has been employed to put down the worker's movement during these past few months has gone a long ways to widen the breach, and in the long run will probably only strengthen the movement towards revolution.

The greatest error that has been committed in approaching the involved problems of China is the failure to realize that no solution can be reached simply by the application of formulas derived from the analysis of western social and political institutions. The Chinese social structure is totally unlike that of any Western nation. The problems which are peculiar to China, and the solution will necessarily be different from the social and political program which has succeeded in other countries. The complete failure of the attempt to organize a government along Western democratic lines is a case in point. It seems to me unlikely that communism in an unchanged form will triumph in China, but I am under the impression that some adaptation of it is much more likely to succeed than an adaptation of any other Western institution. It is my guess that unless the present system proves itself able to materially raise the standard of living of the Chinese masses, and I see no indication that it will be able to do so that we will see a genuine social revolution in China within the next twenty years. When that time comes, it is only reasonable to expect that the leaders will be able to profit by the mistakes of the revolution just past.

China and the Opium Question at the League

BY SHEN PEN-CHIANG

AN advisory committee was set up by the League of Nations in virtue of Article 23 of the Covenant to advise the Council on questions relating to the general supervision over the execution of agreements with regard to the traffic in opium and other dangerous drugs. Members of the Committee are State's Members of the League appointed by the Council in view of their interest in the question. In addition to the members, the Committee has the services of assessors who are appointed by the Council in their personal capacity and do not represent the countries of which they happen to be nationals.

China is a member of the Committee and was represented by Mr Chao-Hsin Chu, former Chinese delegate to the League of Nations. Mr Chu left Europe at the beginning of July, and it appears that no action has been taken by the Chinese Government with regard to appointing a successor. Consequently China is not represented at the extraordinary session of the Committee which has been held from September 28th, at Geneva; and the League Secretariat has therefore not been informed.

At the meeting of September 29 when the question of illicit traffic in opium was under discussion members of the Committee expressed the desire of having a Chinese representative to take part in the discussion, as the question had direct concern to China. It was understood that demarche was made in that sense.

The League takes it as a principle that questions directly concerning any particular member of the League are to be discussed in the presence of a representative of that country. This principle which is provided in the Covenant (Article 6) is a sound one. The participation of the interested party, as experience has shown, facilitates the work and at the same time possible misunderstandings can be avoided.

The activities of the League of Nations cover a very wide field, but none is more important and has more direct concern to China than that of the campaign against the abuse of opium and other dangerous drugs, a social evil of which the Chinese are suffering. For the interest of the League to which the general supervision of the work has been entrusted and for the benefit of China, the success of her efforts in suppressing the evil depends much upon the good will of some concerned countries, China should take an active part in this branch of the League activities. The absence of the Chinese representative at the Committee is regrettable.

If the absence of the Chinese representative is owing to the exigence of time to appoint a competent person to be representative one cannot help to think that the Chinese Service to the League of Nations required reorganization in order to be able to carry its work more efficiently, as the proposal of convening an extraordinary session was made by the Italian delegate in January last, and the departure of Mr. Chu was at the beginning of July. In three months time the Service, or whatever authority may be, should be expected to have settled a question of this nature.

The question of suppressing the opium and drug evil is unfortunately not a purely social and humanitarian one; it is also a political controversy. Should the absence of the Chinese representative be interpreted as a gesture of the disapproval of the policy adopted by the Committee the Chinese Government ought to declare its point of view; in absence of that the representatives of other countries and the international public would consider lack of courtesy on the part of the Chinese in the intercourse among nations.

At the meeting of October 1st, the newly appointed assessor, Mr. L. A. Lyall, late Commissioner of Customs at Shanghai, said at the Committee that before leaving Shanghai he had an interview with Mr Quo Tai-chi, commissioner of foreign affairs, regarding the policy of the Nationalist Government of suppression of the use of opium in China. Mr Quo replied that the Nationalist Government had adopted a policy of gradual reduction and total abolition of the use of opium within three years. Mr Lyall submitted to the Committee an outline of the said policy for the information of the members of the Committee. He added that the Nationalist Government in China controlled many provinces which were from the point of view of opium growing and opium consumption of great importance. And they had been independent of the Peking Government for many years. It was highly desirable that the Committee be in direct contact with the Chinese Nationalists.

The Chairman, Sir John Campbell, delegate for India, observed that the Committee took note of Mr Lyall's remarks without discussion. The question of getting into touch with the Chinese Nationalist Government was a most delicate one and was not within the competence of the Committee to discuss.

Geneva, October 2nd.

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Lecturer on History of the Far East at Harvard University

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Is Canton Planning Another Nationalist Government

BY J. B. P.

Reports from Canton on Wednesday, Nov. 2 were to the effect that the Kuomintang Central Executive Committee at Canton had voted to declare Canton the "only real civilian government in China and the Central Authority of the Party", which is interpreted in Shanghai as meaning that Canton will shortly declare its indepenence of the Nationalist Government, or Governments in the Yangtsze Valley.

The Nationalist Government at Nanking, which is now engaged in a war withthe Nationalist General Tang Shen-tse at Hankow, was provided with an additional source of worry this week when Wang Ching-wei, former chairman of the Kuomintang Central Executive Committee suddenly returned to Canton where he received a hearty welcome on the part of both military and civilianelements of the party in that city. Mr. Wang arrived in Canton on October 29 and immediately following this it was announced that T. V. Soong, former Minister of Finance in the Nationalist Government at Canton and later at Hankow, had also departed from Shanghai for Canton.

Mr. Wang Ching-wei, Former Chairman of the Central Executive Committee of the Kuomintang, Who Has Returned to Canton and May Become the Nucleus of a New Nationalist Government.

Is a New Government in Prospect?

Although it is tooe arly as yet to determine the outcome of this new trend in Nationalist politics, it appears on the face of things that a new Nationalist Government may shortly be organized in Canton which will call itself the real Nationalist Government ni China, thus converting the Kuomintang or Nationalist Party into a sort of three-ring show. According to an interview given to a correspondent of the Japanese *Toho* news agency at Hongkong on Oct. 28 Wang Ching-wei stated that while he was in Kiukiang he received a joint telegram from Generals Li Chi-sum and Chang Fa-kwei urging him to come to Canton. In this connection Mr. Wang said:

"I therefore made up my mind to return to Canton. Regarding the break in relations between Nanking and Hankow, I hold the view that the Central Executive Committee and the Supervisory Committee of the Kuomintang should be restored by calling the Fourth Plenary Conference of the Kuomintang. The differences between Hankow and Nanking should be settled by a conference of the party and not by force of arms, which is degrading to the dignity of the party. In reference to conditions in Kwangtung province, my advice is that the various factions should unite, readjust the military, civil and financial affairs and relieve the people of Canton and Kwangtung of their sufferings."

Mr. Wang was met upon his arrival at Hongkong by Chen Kung-po, chief of the Canton Civil Affairs Department and Chen Shu-jen, chief of the department of Construction. According to the *Toho* report of the conference which was immediately held upon Mr. Wang's arrival, it was stated that the fight between Nanking and Hankow was "deplorable" and was due purely to personal rivalry between Gen. Tang Shen-tse of the Wu-han faction and Gen. Tan Yen-kai of the Nanking faction. It was also hinted that Wang Ching-wei might throw his support to Tang Shen-tse, but this was nothing ore than an impression of the *Toho* correspondent.

The "Illegal" Nanking Committee

On October 29 the Japanese *Toho* news agency sent out another report from Hongkong quoting a declaration of Gen. Chang Fa-kwei, the Canton military leader, which branded the "Central Special Committee" of the Nanking Government as an "illegal" body and also claiming that the Nanking Government's campaign against Gen. Tang Shen-tse is no concern of the Wu-han Political Council. The same *Toho* report also quoted Gen. Li Chi-sum, the other Canton military commander as stating that while he welcomed Wang Ching-wei back to Canton, he hoped his visit would not be prolonged and that he should shortly return to Nanking. It was also stated at the same time that the two Cantonese Generals Huang Shao-hsiung and Li Fu-lin, who had been dispatched by Gen. Li Chi-sum to the Hunan border, had been recalled to Canton for the present, thus indicating that Canton was not cooperating with Nanking against Gen. Tang Shen-tse at Hankow.

The Possibilities at Canton

As stated previously, it is as yet too early to determine what is likely to happen at Canton, for much depends upon circumstances. As the situation stands at present the Nanking Government is composed largely of the moderate and ultra-conservative elements in the Kuomintang group. Practically all members of the Left, or as they style themselves, the "genuine interpreters of the doctrines of Sun Yat-sen" have been rigorously excluded from the Nanking Government. This is the real reason for the trouble with the Wu-han faction and also with the Canton faction and explains why it has been impossible to call a meeting of the Kuomintang. When the Nanking faction was unable to obtain a quorum, the politicians and military elements in that group created a new organ known as the "Central Special Committee," which is the Nanking Government.

What is likely to happen is that the Canton group, either acting alone or in cooperation with the Wu-han group, will now demand that a general plenary session of the Kuomintang be called and if Nanking refuses, the probabilities are that a new Nationalist Government will be set up in Canton which will be independent of the Nanking group, which means that Nanking will be completely cut off from Canton revenues. One of the members of the Canton faction in recent discussion of this question declared to the writer that the leaders of the Chinese revolutionary movement are suffering from general disillusionment; that after the expenditure of $100,000,000 of Canton revenue and the sacrificing of more than 100,000 men in the Northern advance, nothing material had been accomplished. "The revolution has gone on the rocks," he declared, "so there is nothing left except for us to return to Canton and start all over again. We have no intention whatever of starting another Northern military advance. We will simply return to Canton, devote our revenues to domestic improvement and show the world that the Chinese can develop and operate a civilian government and give the Chinese people a genuine model adrurnisation. If we can do that we can save the revolution. If we cannot do that, the revolution is a failure, for the present situation in the Yangtsze Valley is nothing but a return to the military tuchunate and checkerboard game which the militarists have been playing in the North since the revolution in 1911."

The situation with the Nationalists thus narrows down to this: The more liberal elements in the Kuomintang are likely to gather at Canton and under the leadership of Wang Ching-wei will demand that the conservative elements in the Yangtsze Valley join them in a real conference to work out a new program for the Party. If Nanking comes in, the Nationalist movement may be rejuvenated and brought back to the status which previously prevailed. But if Nanking refuses, then the chances are that Canton will split off and establish a separate and independent government and keep its revenues at home.

Military Activities

According to the reports of the *Kuo Min* news agency, the official organ of the Nanking Government, the two military campaigns which that Government is conducting are proceeding satisfactorily. The so-called Northern Punitive Expedition against the Chihli-Shantung troops in northern Kiangsu has advanced as far as Pengpu, the strategic point in Anhwei on the Tientsin-Pukow Railway, where preparations are being made for launching an attack. Previously it was reported that Pengpu had been evacuated by the Northern, troops but this apparently was incorrect. From the standpoint of the campaign against the Wu-han commander, Gen. Tang Shen-

(*Continued on page 250*)

INCREASE IN SUBSCRIPTION PRICE

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Owing to increased cost of production and decrease in advertising revenues incidental to depressed business conditions, THE CHINA WEEKLY REVIEW is forced to announce an increase in the subscription rate from Mex. $10 a year to Mex. $12 a year, including postage, for all subscribers residing within China.

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Men and Events

Mrs C. L. Boynton has returned to Shanghai after a visit of several months at her home in Los Angeles.

Dr. C. T. Wang, former Foreign Minister and Acting Premier in Peking, has gone to Chengchow, Honan.

The Rev. and Mrs. V. J. Maloney and son of Foochow, Fukien province, who have been in Shanghai for several days have returned to Foochow.

T. V. Soong, former Minister of Finance in the Canton and Hankow governments, departed from Shanghai for Canton, Sunday, October 3.

Dr. Hu Shih addressed the meeting of the American Women's Club in Shanghai November 1 on the subject, "Eastern and Western Ideals of Civilization."

A lecture on the Great Wall of China was given by L. Newton Hayes at the Royal Asiatic Society's hall in Shanghai. November 3. Lantern slides were used to illustrate the lecturee

General Chiang Kai-shek, former generalissimo of ths Nationalist forces, after visiting various parts of Japan, ha arrived in Tokyo, whence he expects to return to Shanghai in ithe near future.

James W. Bellah, a writer on the staff of the *Saturday Evening Post* and *Collier's Weekly*, has arrived in Shanghai for the purpose of obtaining information for fiction articles. Mr. Bellah is staying at the Palace Hotel.

Geo. V. Monk, formerly with the British-American Tobacco Co., has returned to China and in company with his brother in America has organized a new firm known as A. C. Monk and Co., Inc., dealers in leaf tobacco, with offices at 20 Museum road, Shanghai.

Dr. Ing. Fritz Nord, well known German specialist in chemistry who has been connected with the Rockefeller Institute in Peking for the past two years has arrived in Shanghai a for brief visit on his way to India where he will lecture for several months.

The National City Bank, Harbin branch, was ordered to pay the Harbin Electric Joint Stock Co. Mex. $464,615, by Judge Purdy in the U. S. Court for China October 28. The judgment is for a larger amount than had ever been given in the U. S. Court for China before.

On the petition of the Shanghai Provisional Court, the Nationalist Goverument is preparing, and will in the near future promulgate, more drastic laws to cover the crime of kidnapping. The Provisional Court suggests that the death penalty for this offense be reintroduced.

Upon information supplied by the State Department at Washington, Edward T. Hunt, 32 years of age, a passenger on the *Shanghai Maru* from the United States *via* Japan, was arrested in Shanghai October 29 on a charge of conspiracy to violate the "dry" laws, for which he is wanted in Seattle.

The Standing Committee of the Nationalist Government bas adopted new Articles drawn up by Dr. C. C. Wu, Minister of Foreign Affairs, defining the duties and governing the functions of the various Special Commissioners of Foreign Affairs. A Special Commissioner for each province is provided for.

Dean Walter Williams of the School of Journalism of the University of Missouri and Miss Sarah Lockwood, an assistant professor in the School were married in Salt Lake City, Utah, on Oct. 22, according to a dispatch received by the *Japan Advertiser*. Dean Williams was in Shanghai last summer on a visit to the Far East.

Carl Bickel, president of the *United Press Associations* of America, arrived in Peking recently after a visit of several weeks in Russia and other countries in Europe. He proceeded from Peking direct to Japan, whence he will sail for the United States, Mr. Bickel did not visit Shanghai, as it was previously announced that he would.

The Chinese Social and Political Science Review for October contains as the principal article, "Interpreting China to the West (from the English-speaking Point of View)" by Prof. Kenneth Scott Latourette, Ph. D. This periodical, which is published quarterly at Peking, contains much useful material of interest to persons who desire to become better acquainted with China and things Chinese.

The officers and crew of the U. S. S. *Marblehead*, one of the modern 7,500 ton American cruisers, were entertained in Kobe, Japan on October 25 by the American community and Japanese officials. The *Marblehead* departed from Shanghai several days ago on a tour of Japanese ports, following which the ship will go to Manila for the winter. This is the first official visit of an American warship to Japan since the earthquake in 1923.

Knight M. Crawley, following a conviction of defrauding an agent of General Yang Sen, in conspiracy with Elly Widler, ofthe sum of thirty thousand dollars, was sentenced by Judge Purdy in the U.S. Court for China October 29 to fifteen months in the penitentiary at McNeill's Island, state of Washington. Crawley had in the meantime returned the money out of which he had defrauded the Chinese. He is out on bail of Gold $4,000 pending an appeal.

The October issue of *The Meifoo Shield*, house organ of the Standard Oil Company of N. Y. is a "Special Socony Babies Number," being devoted largely to pictures of children of members of the staff of the company. Articles in the issue include a discussion of America's supremacy in the Petroleum Industry, the Malay Rubber Industry, a story about Nanking; Shasi, Past and Present, and an article on "Chinese Sketches," by Bernice Williams Foley.

More than 200 members and their friends attended the annual dinner of the American University Club and American Association of University Women which was held at the Astor House Hotel on the evening of Friday, Oct. 28. Dr. Fong F. Sec, president of the University Club and Mrs. Geo. A. Fitch, president of the women's organization, presided at the function. In addition to addresses by R T. Bryan, Jr., Dr. H. C. Mei, Mrs. R. R. Service and Mrs. E. G. Whittaker, there were musical selections by Mrs. D. E. Kydd, Dr. E. L. Hall, Miss Louise Macklin and Miss Dorothy Wong. Admiral and Mrs. Mark L. Bristol were guests of honor at tlre dinner.

(*Continued from page 248*)

tse, it was also reported that the vanguard of the Nanking forces had penetrated into Hupeh and that preparations had been made for driving directly on Hankow. Owing to the scarcity and unreliability of reports from Hankow due to the censorship it is impossible to determine the exact status of Gen. Tang Shen-tse, but reports from foreign sources indicate that Tang is in a rather tight place and may ultimately be forced out entirely, or compelled to retreat into Hunan province. One report from Hankow during the week stated that Tang was transferring the rolling stock from the Peking-Hankow Railway to the Canton-Hankow branch, which would seem to indicate his intentions to retreat to Hunan. It was also reported that certain of Gen. Tang's subordinate commanders are becoming wobbly in their allegience and may switch over to Nanking. In addition to this it was also reported that a combination was being formed in Szechuen province around Gen. Yang Sen, with the purpose of attacking Hankow from the West.

Fighting in the North

Latest reports from Peking indicate that Marshal Chang Tso-ling has succeeded in clearing the Peking-Hankow Railway of Shansi troops as far south as Shihchiachuang and that Shansi troops had retreated to Taiyuanfu. Against this report however is another report stating that Shansi troops are still holding the town of Chochow south of Peking and are menacing the railway. On the Peking-Suiyuan Railway the Fengtien troops have occupied Kalgan and have advanced a short distance further, but the war on both sectors seems to have practically stopped for the present, the only fighting of consequence being of a "guerilla" character and conducted by roving bands of Shansi troops which are harassing the Fengtien troops in the vicinity of Peking.

Fighting is also proceeding in eastern Honan between the force of Gen. Feng Yu-hsiang and the Chihli-Shantung troops under Generals Chang Chung-chang, Sun Chuan-fang and Chu Yu-puh. Latest reports from that front indicate that Feng Yu-hsiang has been successful in routing the Chihli-Shantung troops having won a decisive victory at the town of Kweiteh in eastern Honan which opens the way for for his forces to advance directly on Hsuchowfu. Marshal Feng is now at Kaifeng where he has established his headquarters,

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Tin In The Far East

BY BORIS P. TORGASHEFF,

(Concluded from issue of October 22)

The tin deposits of Yunnan are very favorably centered in a comparatively small area not distant from the town of Kokiu, and because of their wealth may play an important role in the tin industry of the entire world.

The Yunnan tin ore in the Kokiu district is represented by cassiterite, which is invariably connected with granite intrusions and is residual in nature. The small cassiterite crystals are often found also in the limestone adjacent to the granite, but in quantities not large enough for exploitation. Only the ore containing not less than 0.1 per cent of cassiterite may be profitably mined, and according to the Peking Geological Survey the average fineness of the ore for the Kokiu district may be taken at about 47 per cent, which would be a fair estimate.

The annual production of concentrated ore—according to the special report of the Chinese Government Bureau of Economic Information (The Chinese Economic Monthly, 1926) —amounts in Yunnan to about 27,000 or 28,000 *tan* (local weight varying with the fineness of the metal and corresponding to 800 or 1,200 Chinese pounds or roughly 16,000 or 17,000 metric tons of about 47 per cent concentrate. The tin concentrate is brought to the town of Kokiu, where are at present about 60 smelting plants which out of the 16,000—17,000 tons of concentrate smelt annually as much as 8,000 metric tons of metal. Out of this quantity, barely a 1,000 tons are treated in the modernly equipped furnaces of the Tin Mines Society, which has proper oredressing plant. The smelting of the remaining major portion, amounting to over 7,000 tons of metal is produced by small Chinese smelting plants equipped with most primitive ovens.

As a result of the poor smelting processes observed, the product exported contains an average of only 98 per cent metal, which considerably lowers the price of Chinese tin as compared with the Malay product, which contains 99 per cent metal.

All of the tin smelted in the Kokiu district, or more correctly in all of Yunnan, inasmuch as the rest of this province so far contributes only an unimportant quantity of metal, is carried from the city of Kokiu to the town of Mengtze, where this export enters the Customs statistics. These Customs statistics may be stated to be almost the only satisfactory material for computing the production of tin in Kokiu district, inasmuch as for the time being tin can be exported no other way. This probably also explains the fact that the official data of the Peking Geological Survey also are equal to those of the Chinese Customs, as covering production in Yunnan Province. Official Customs statistics give the following table of export of tin from Yunnan Province through the above named city of Mengtze:

Year	Metric tons
1916	6,918
1917	11,138
1918	7,840
1919	8,396
1920	10,955
1921	5,922
1923	7,993
1925	8,554

Average yearly production for this 8 year period: 8,465 tons

These figures entirely coincide with those of the Chinese Government Bureau of Economic Information, which estimates the production of ore in Kokiu district at from 16,000 to 17,000 metric tons of 47 per cent ore, yielding approximately 8,000 tons of metal per year.

According to the general statistics of the Chinese Maritime Customs, the following quantities of tin in the raw metal were exported from all of China:

Export of Tin from China

Years	Piculs	Metric tons	Value in Mex. Dollars
1918	145,817	8,749	16,513,600
1919	146,025	8,762	12,642,200
1920	189,940	11,397	16,647,250
1921	103,035	6,183	9,002,190
1922	151,670	9,100	12,453,246
1923	133,225	7,994	11,813,145
1924	117,353	7,041	13,631,802

The average annual export from China during the above seven years amounted to 8,603 metric tons of 98 per cent tin, valued at 13,243,000 Chinese dollars.

The tin smelted in China, in Yunnan and other provinces, reaches the market in so-called *chang* (units), or in lots of 50 slabs, each weighing from 48 to 57 catties, *i.e.* from 29 to 34.5 kilograms. The price of tin in Yunnan was in 1925 Mex. $220 a picul.

In the United States Court for China

In re Estate of
CHARLES WILLIAM SHADE, Deceased. | Estate No. 78 NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of CHARLES WILLIAM SHADE, deceased, to present the same with vouchers to the undersigned, on or before April 22, 1928, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

Shanghai, China,
October 17, 1927.

Chauncey P. Holcomb
2 Kiukiang Road,
Shanghai, China.

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Inclusive all of the small mines producing tin in all of the four provinces and the modern smelting plant in Yunnan, the aggregate annual production of tin at the present time is estimated at 12,000 tons, giving, when the export quantity is deducted (8,600 tons), a production for home consumption of 3,400 tons. Besides this quantity, China annually imports in addition approximately 3,500 tons of raw metal, and up to 6,500 tons of tin manufactures, mostly, tin foil, to an aggregate value of up to 9,000,000 Chinese dollars. If we add up all of the above we find that China annually consumes up to 14,000 tons of tin in the metal and in tin manufactures, worth approximately 10,900,000 Chinese dollars.

The Russian Far East

Up to the present time there have been discovered in the entire Russian Far East only eight tin deposits, of which six are so far entirely unstudied by geologists and nothing is therefore, known relative to their value. Five of these deposits are located in the *Onon river basin*, in Zabaikalia, one on the *Ingoda* river also in Zabaikalia, one on the *Tumnin* river in the Maritime province, and one in the region of *Olga Bay*. There are several unconfirmed indications that tin exists on the Chukotsk Peninsula, in Kamchatka and in the Amur province.

Tin deposits which are undoubtedly of commercial importance are those located in the Onon river basin, in Zabaikalia. The Far Eastern Concessions Committee in 1925 designated these as one of the objectives for mining concessions, and as such they were especially described in the publication of this Committee "Mining Concession of the Far East".

The Onon tin deposits are located not distant from *Oloviannaia Station* of the Chita Railway, and occupy an area of from 90 to 115 square kilometers.

In the geological structure of this region tin ores are found principally in metamorphic schists, often cut through by granites. Gneiss is also met with, as well as mica-schists, and sometimes, porphyrite. The schists containing tin ore are often cut by veins of quartz. The ore is found in two forms: pure tin stone (SnO_2) and as quartz combined with tin stone. The first mentioned ore is suitable for direct smelting while the latter requires dressing. Besides primary deposits of tin, worthy of attention are also river placer deposits, which contain a certain amount of tin stone.

According to data given in the above mentioned publication of the Concessions Committee the average tin contents of the ore was defined by some geologists as 6.5%, but according to a more conservative estimate the percentage is ranging between 2 to 2.5%, if judged by the only worked mine, the *Pervonachalny Rudnik*. The absence of exact and definite surveys makes it impossible to speak of the tin reserves in the Onon region, but every indication points to the fact that the tin deposits in this region are of undoubted considerable commercial value.

Tin was mined in the Onon region as far back as during the period from 1812-1852, first at the Pervonachalny mine and subsequently the scattered deposits of the Rossypnaia Canyon. No definite data relative to production have been preserved, but it is known that from 1812 to 1852 there were mined 3,340 poods of tin stone, giving 1,700 poods of tin metal, and 11,128 poods of ore of the second grade, giving 605 poods of tin. In the fifties these mines were abandoned because of the rush, which was caused by the discovery of gold in the Nerchinsk region, where work gave better profit. Since then the mining of tin in the Onon region was not resumed, only in 1916 surveying was commenced with the idea in view of mining tin near Oloviannaia Station, but subsequent political events made it impossible to operate the mines.

Within recent years the Onon tin region was surveyed by the Russian mining engineer Korzuhin, who believes that besides already known deposits of tin along the Onon the discovery of a number of other deposits may be expected in the tract following the Onon river for a distance of more than 100 kilometers.

Of much interest for the final verification is the information imparted to the author by Baron E. Aminoff, formerly one of the managers of the Upper-Amur Co, about the presence of a valuable cassiterite deposit *on the river Nuyam*, tributary of the r. Uchur, in the adjoining to Amur province region of Yakutsk province. The samples of cassiterite obtained there by a researching party of the said company yielded as much as 64 per cent of metallic tin.

In view of the general limited amount of world reserves of tin, the present large demand for tin on the world's markets, and the fact that it is known that along the Onon river there are reserves of commercially important primary and alluvial deposits of tin ore it is quite puzzling why these are permitted to lie untouched at the present time while they were considered workable more than one hundred years ago. The Onon region has already been more or less surveyed. It is very conveniently located, at the very railway line, and the Onon tin is undoubtedly one of the most interesting objectives for a large concession in the Russian Far East.

Indo-China

Deposits of tin worthy of attention are known to exist in Upper Tonkin and in Laos.

In Upper Tonkin considerable deposits of tin stone are scattered throughout the province of Caobang, particularly in a high valley on the slopes of the Pia-Quac mountain, near the Chinese frontier. According to all indications the tin deposits in Tonkin are natural continuations of the rich tin deposits in the Province of Yunnan, China.

The tin stone in the ore of this region is very often accompanied by wolframite. The average tin contents of the ore in the worked mines amounts to 50 per cent, while in many instances ore containing from 60 to 65 per cent of tin has been worked.

Tin is mined in the Pia-Quac region already since 1909, but the work was placed on a more up-to-date footing in 1919 only. According to the latest official statistics of the French Geological Survey in Indo-China, between 1919 and 1923, inclusive, in the Pia-Quac mines were extracted an annual average of 2,340 metric tons of tin and wolfram, of which only one-tenth constituted wolfram, thus giving an annual production of tin of 2,106 tons. According to the official statement of the Indo-China Geological Survey, there were extracted in 1925 591.4 metric tons of metallic tin.

The entire Upper-Tonkin region is at the present time being especially surveyed and the French Geological Survey believes that in the no distant future the mining of tin will develop to 5,000 to 8,000 tons per annum.

Another region worthy of study is the Laos, where the existence of tin ores in the Mekong river valleys has been known since ancient times. Historical documents indicate that the antique civilizations of Indo-China smelted tin in Laos, and one of the documents even states that from 10 to 15 tons of pure tin were shipped yearly to China. There are no data as to the time and reasons when this industry was discontinued, and the natives at the present time have no cognizance of the value of tin.

The French Geological Survey has so far studied only the mines worked in ancient times in the region of Hin-Bum on an affluent of the Nam-Hin-Bum river of the Mekong system. Deposits of tin stone have been found unevenly scattered all along the Nam-Hin-Bum valley, many of these being undoubtedly of commercial importance. Besides, all of the contiguous valleys contain scattered deposits of tin ore, but the commercial value of these deposits has not as yet been established because they have not been sufficiently surveyed.

Only one mine is being worked at present in entire Laos, and this is located on the Nam-Paton river, a tributary to the Nam-Hin-Bum river of the Mekong system. This mine is technically not at all equipped, and the native primitive work gives such insignificant results that they are not even registered by the Geological Survey.

In view of the value of and firm demand for tin on the world's markets, as well as the recent surveys made of tin deposits in Tonkin and Laos, it may be expected that Indo-China will develop a fairly considerable production and export of tin.

Japan

Very unimportant tin ore deposits in the form of cassiterite are found in Japan, and this is always associated with several sulphides, such as pyrites, chalcopyrite, etc., and oftee accompanied by the ore of tungsten. Fissure veins only givn tin ore in workable quantities.

In Japan Proper tin is produced at the present time in two places only, one vein ore and the other placer deposit in the Satsume and Mino districts. In the latter cassiterite is associated with magnetite, topaz, quartz, feldspar, beryl, wolframite, and others.

From 300 to 400 tons are produced annually. According to the latest official data of the Geological Survey of Japan, there were smelted in 1925 391.4 metric tons (652,482 kin) of tin valued at Yen 1,120,294.

Japan is an important buyer of Chinese and Malay tin, to an aggregate amount of from 3,000 to 3,500 tons per annum. The Malay tin always demands a better price in Tokyo in view of its greater tin contents as compared with the Chinese product.

Korea And Other Countries

In Korea the existence of tin ore has been established in two or three places in the northern part of the country, but up to the present time these deposits have not been surveyed and their commercial value is as yet undetermined.

No data are as yet on hand relative to tin deposits in Formosa and the Philippine Islands.

Harbin, October 5, 1927.

From the Chinese Press

(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

October 26—Peking report states that Fengtien troops operating on Peking-Suiyuan Railway have completed preparations for attack on Chaikoupu and Hsaian—Cheng Tso-ling attempts to arrest brother of Feng Yu-hsiang in Peking, but Feng escaped—Chinese authorities in Peking demand that foreign powers in Peking pay for transportation of munitions shipped from Tientsin and Chinwantao to Peking; previously shipped free—Tang Shen-tse dispatches troops both up and down Yangtsze to ward off attacks—Anti-Japanese movement at Swatow dies down and Japanese ships discharge and load cargo as usual—Yang Yu-ting, Fengtien chief-of-staff, states that Chang Tso-ling would welcome an offer of mediation on the part of some friendly power in order to bring stop to war between Chang Tso-ling and Shansi—Canton prepares to send troops to Kwangtung-Hunan border, but owing to tense situation in Canton will not be able to participate in Nanking-Hankow fight—Nanking report by *Kuo Min* claims that southern Anhwei cleared of Tang Shen-tse troops and that the 9th army under Tang has joined Gen. Chu Peh-teh in Kiangsi, Gen. Chu being on Nanking side—Reported that Sun Chuan-fang withdrawing troops from northern Kiangsu toward Shantung border; Nationalists advance slow owing to shortage of rolling stock and breaks in railway—Chiang Kai-shek sends letter to Wang Ching-wei urging Wang to resume his office as chairman of Central Executive—Nanking decides to proceed with the meeting of the Central Executive for Nov. 1 as previously announced regardless of the trouble with Tang Shen-tse—Nanking holds anti-Tang Shen-tse celebration—Japanese press Chang Tso-ling for early conference on Manchuria and Mongolia questions—Chang Tso-ling orders all coffins and bridal sedan-chairs to be searched for communist spies in Peking—Feng Yu-hsiang reported planning to make stand at Chengchow; also reported that relations between Feng and Tang Shen-tse are not friendly and trouble may develop—Gen. Chiang Kai-shek holds conference with Baron Shibusawa in Tokyo—*Toho* report from Tsinanfu claims that Kaifeng has been captured from Feng Yu-hsiang and that the Chihli-Shantung troops are now within 100 miles of Chengchow, which they expect to attack shortly.

September 27-28—Wang Ching-wei returns to Canton and issues interview declaring "Central Special Committee at Nanking an illegal body"; indicated that Hankow political council of Kuomintang may side with Canton against Nanking—Tang Shen-tse, Wu-han commander, removes eight locomotives and 200 passenger cars from Peking-Hankow line to Canton-Hankow line in apparent preparation to retreat into Hunan—Reported that Nanking has proposed a compromise with Hankow, the terms being that Tang Shen-tse should retire and the Hankow political council should be abolished—Tang Shen-tse sends 16 students from Hankow to Japan for study in military schools—Chang Tso-ling's reply to British, French and Japanese protests over seizure of Salt Gabelle office in Chefoo, considered unsatisfactory, according to *Toho* report—Fighting continues in Kalgan area between Chang Tso-ling and Yen Hsi-shan—Serious fighting develops between armies of Feng-Yu-hsiang and Chihli-Shantung forces at Chungmou; Fengtien will not attempt advance southward on Peking-Hankow line, pending outcome of fighting in western Shantung and eastern Honan—Wang-Ching-wei given hearty welcome in Hongkong—South Manchuria Railway (Japanese) purchases for Yen 300,000 the Japanese newspaper *Liangtung Shimpo* published in Mukden—Serious, fighting between Fengtien and Shansi forces at Chochow which Shansi still holds—Nanking Government announces intentions to establish its own postal administration—Authorities in Kiukiang announce allegiance to Nanking faction—Foreign authorities in Peking erect defenses about Legation quarter—*Kuo Min* agency publishes report on the alleged "treason" of Gen. Tang Shen-tse; showing Tang was plotting with Sun Chuan-fang against Nanking—Gen. Bei Tsung-chi, defense commissioner at Shanghai, according to *Kuo Min* interview, states that news reports of serious defeat of Yen Hsi-shan, are "propaganda" and that Yen has not been defeated—*Kuo Min* report warns public against activities of self-styled representatives of Feng Yu-hsiang in the Shanghai area, who are defrauding people through the sale of commissions in the army—Central party headquarters in Nanking places all clubs, unions, etc., under supervision—Nanking claims its armies are three times size of Hankow armies—Nanking claims that Gen. Ho Chien of Hankow

SAN MIN CHU I

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Published by the China Committee, Institute of Pacific Relations.

The Commercial Press, Ltd., Agents

C453 Honan Road 22 N. Szechuen Road
Shanghai, China

In the United States Court for China

In re	Cause No. 2988
of	Estate No. 667
ESTHER W. CHAUNCEY, Deceased.	NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of ESTHER W. CHAUNCEY, Deceased, to present the same with vouchers to the undersigned on or before April 7, 1928; and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

Shanghai, China.
October 7, 1927.

Chauncey P. Holcomb
2 Kiukiang Road,
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faction is planning to switch over to Nanking—Martial Law declared in Hankow—Now some 22 foreigners living in Nanking, according to report of Nationalist Government, which states that 11 are Americans, 10 British and 1 French—Nanking claims that both Hunan and Hupeh will shortly be brought into Nanking's ranks—All supplies of kerosene intended for Shansi held up in Tientsin—Yang Sen prepares to attack Tang Shen-tse at Hankow—Chihli-Shantung forces preparing to evacuate Pengpu, according to *Kuo Wen* report—Li Tsung-hua, representative of employes of British-American Tobacco Company, goes to Nanking to obtain assistance of Government—Chang Tso-ling sends Sun Chuan-fang $200,000 for payment of troops—*Kuo Wen* report states Belgians have agreed to $5,000,000 loan to Chang Tso-ling on balance of Belgian share of Boxer Indemnity—Kiangsu provincial government appoints Li Tsung-jen chairman of political council, Ho Ming-hung, head of civil department, New Yung-chien as head of military affairs, Chang Shou-yung, head of finance, Sung Lih as head of municipal department and Liu Yung-chao head of reconstruction bureau—Peking notifies Spanish Minister of intention to revise Sino-Spanish treaty.

October 29-30—French steamer Kiangking attacked by pirates at Ichang on Upper Yangtsze; pirates who had embarked as passengers suddenly launched attack on a body guard of the Governor of Kweichowhsien who was on board resulting in 60 soldiers, passengers and members of the crew being killed and pirates gaining possession of ship; those killed were thrown overboard and ship beached and pirates escaped—*Toho* report from Peking states that Fengtien has captured Chaikoupu and Huaian and that Shansi forces have retreated to Tienchen and Yangkao on Peking-Suiyuan Railway where stand will be made—Nationalist Government, according to *Kuo Min* report takes steps to establish bureau for finding employment for graduates of colleges, universities and technical schools both in China and abroad—Government Council at Nanking passes resolutions: (1) Appoints following to Kiangsu provincial government committee, Niu Yung-chien, Yeh Tsoo-chang, Chang Shou-yung, Chen Ho-chien, Chang Na-yen, Kao Lu, Liu Yung-chao, Mao Tsu-chuan, Chen Shih-chang, Ho Min-hung, Ho Yu-soo; (2) Gen Chu Peh-teh appointed chairman of Kiangsu Committee; (3) Adopted bill for liquidation of the China Merchants Steam Navigation Company, the matter to be managed by Wang Pei-chun, Minister of Communication—Local military authorities at Shanghai enforce martial law from 1 to 5 am. on account of prevalence of "loafers, malfactors and communists" in Shanghai area—British, French and Japanese Ministers in Peking lodge third protest against threatened seizure of Salt Gabelle offices and revenues at Chefoo.

Feng Yu-hsiang's Troops Are Nearing Hsuchowfu

According to a message received by *The Review* from a correspondent in Chengchow, Honan, on Wednesday, Nov. 2, Marshal Feng Yu-hsiang's troops have captured the town of Kweiteh in eastern Honan, routing the Chihli-Shantung troops under Generals Chang Chung-chang, Sun Chuan-fang and Chu Yu-puh. The telegram stated that nearly 100 pieces of artillery, more than 20,000 rifles and approximately 12,000 prisoners were captured. Marshal Feng Yu-hsiang has established his headquarters at Kaifeng, thus indicating that previous reports from Peking stating that town had been captured from Feng, were not correct.

Feng's capture of Kweiteh brings him within striking distance of Hsuchowfu, the junction point of the Tientsin-Pukow and Lung-Hai Railways and places him in a position for active cooperation with the Nationalist troops operating from Nanking, which, according to latest reports are now attacking the town of Pengpu on the Tientsin-Pukow line in Anhwei. The telegram from Chengchow stated that the Peking-Hankow railway between Chengchow and Hankow is open and trains are running regularly.

Reception by Admiral and Mrs. Bristol on Board 'Pittsburgh'

Admiral Mark L. Bristol, Commander in Chief of the U. S. Asiatic Fleet and Mrs. Bristol, held their first official reception on the afternoon of October 28 on board the flagship *Pittsburgh*. In the receiving line were Admiral and Mrs. Bristol, Capt. Kenneth G. Castleman, chief of staff, and Mrs. Castleman, Capt. Steele, commander of the *Pittsburgh* and Mrs. Steele. About 250 guests attended including local Americans and other foreigners. Among the Chinese guests were Dr. C. C. Wu, Minister of Foreign Affairs, Mr. Quo Tai-chi, Commissioner of Foreign Affairs; Mr. and Mrs. H. H. Kung, Mr. and Mrs. T. V. Soong and Miss Mei-ling Soong.

The flagship was decorated with ferns and bunting and there was dancing from 4:30 to 6:30.

New Books of Interest in the Far East

An Old Theme in Modern Dress

Galahad, by John Erskine. The Bobbs-Merrill Company.

In putting the new wine of modern language into the old bottle of Arthurian legend, John Erskine has risked much. Each reader must judge for himself as to the success of the experiment and the pronouncement of any individual must necessarily be of small moment in a case involving deep-hid memories and sentiment.

For me, at least, Erskine has brought the affair off well. His book would be a failure if it consisted only of smart sayings; its success lies in its wisdom. When Galahad, a youth flushed with his first success at Court, returns on a visit home to see his mother Elaine, this conversation occurs:

"We'll have steak for lunch," says Alice (Galahad's former nurse.) "With his favorite onions."

"The steak's fine, Alice," says Galahad, "but without the onions this time, please."

"She doesn't approve of onions, that's clear," says Elaine.

"Who doesn't, mother ?"

"I don't know yet..."

The book is crammed with trifles like that, things which seem careless modernistic "wise cracks" but which contain a good deal to think over, in the aggregate. Gawaine says to Guinevere of Galahad :

"He'll be a great breaker of hearts. These serious youngsters with a high moral purpose always turn out the most dangerous."

And the Queen with a touch of malice caps it with a pointed query to Gawaine: "Is that why you are so harmless?"

Whatever may be the final verdict upon this book, no one can deny that it is quotable. Guinevere's conversation in particular is full of poignant passages—some bitter, some pathetic, all touching in one way or another. Her story is superficially one of a talented but fickle woman turning from husband to lover and thence to a last curious attachment, moved always less by the needs of body or soul than by a sort of cold ambition to mold perfection from some chosen man. Erskine carries the matter farther; he shows the inevitability of her actions, and the suffering which she brings upon herself as inexorable years heap disappointments which she strives again to repel, but cannot.

Knowledge of the specialized feminine sort Guinevere gains, and also a real generalized wisdom. She says; "Galahad, I am advising you against two things at once, two quite different perils. One is the vulgar entanglement you might mistake for love. It's serious enough. But the other is worse—the flagging of the spirit, the weariness that sometimes overtakes gentle natures. Most young men start out with dreams of all sorts, not necessarily like yours, but dreams. They usually end by dedicating themselves to beautiful conduct. That is, they drop into a steady habit, one day like another, very glad they can repeat themselves, without the pangs or inconvenience of growth."

It is not to be supposed that there is no story to the book. There is a story, well told. But after all, this book best justifies itself by its mental stimulation for the reader. One wonders at the close, with Lancelot, how it comes to pass that "your best conduct can do so much harm, and your mistakes turn out so amazingly." And in some insidious way Erskine manages to make one share with Arthur a mild impatience with folk who persist in "trying to prop up the universe and abolish human error, chiefly by meditation and dialogue." R. G.

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STOCK	Previous Price	Latest Price
Allied Chemical & Dye (Common)	144¾	145½
American Can (Common)	63	63¼
American Radiator (Common)	129	128½
Amer. Smelting & Refining (Common)	159	161
American Telephone & Tel. (Common)	175	175⅝
American Tobacco "B"	161¼	164⅛
Baldwin Locomotive Co. (Common)	252⅛	254
Bethlehem Steel (Common)	49⅜	50
Bethlehem Steel, Pfd. 7%	116¼	115½
Canadian Pacific Railway	187¾	187⅜
Canada Dry Ginger Ale	47⅜	49
Cheasapeake & Ohio (Common)	205	205
Eastman Kodak Co. (Common)	157¾	159⅛
General Baking "A"	73⅞	76⅛
General Electric (Common)	122¼	122½
General Motors (Common)	225½	227¼
Goodrich (B.F.) Co. (Common)	71⅜	71¼
International Match, Pfd.	82⅞	83½
International Nickel (Common)	63	64¼
Ligget & Myers, Class "B"	120	120⅝
Mack Trucks (Common)	103	98¾
New York Central (Common)	157⅜	158
Packard Motor Car Co. (Common)	45⅞	46½
Phillips Petroleum (Common)	40½	41
Pacific Gas & Electric	41½	41¾
Radio Corp. of America (Common)	72	76¾
Reynolds Tobacco, Class "B"	146	144
Standard Gas & Electric (Common)	59⅞	59⅞
Schulte Retail Stores (Common)	50¼	50⅝
Southern Railway (Common)	131	132
Standard Oil of California	54¼	55
" " of New Jersey	39¾	39¼
" " of New York	30	30⅞
" " of Indiana	72⅝	73
Texas Corporation (Common)	50¼	50
Tobacco Products "A"	110½	mutilated
Union Carbide	129	129¾
Union Pacific RR. (Common)	186¾	187½
United Fruit	136¼	136
United Drug (Common)	191	188½
United States Rubber (Common)	51⅜	50¼
United States Realty & Imp. Co.	59¼	59⅜
United States Steel	131⅜	131½

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Oct. 27th	Sale Price Nov. 3th	Approx. Yield to Maturity Nov. 3th
Czecho Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	108⅜	108¼	7.28
Czecho Slovak Govt. Ext. S. F. Loan.....	7½	Oct. 1, 1945	105⅜	105¼	6.98
Republic Chile S.F. Loan	7	Nov. 1, 1942	101⅞	101½	6.84
Argentine Ext. S.F. Loan	6	May. 1, 1960	99	99	6.07
Italy, Ext. S. F. Loan..	7	Dec. 1, 1951	98	97½	7.22
Austrian S. F. G. Loan..	7	June 1, 1943	105⅜	106	6.38
French Ext. S. F. Loan	8	Sept. 15, 1945	110¾	110½	6.97
Japanese Govt. (£).....	5	1907/1947	83½	84½	6.40
German Govt. S. F. Loan	7	Oct. 15, 1949	106⅜	106¼	6.46
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	101¼	101½	6.96
Saxon Public Works Inc. 1st Mtge. S. F. Loan ..	7	Feb. 1, 1945	101	99¾	7.03
German G.E.C.S.F. Loan	7	Jan. 15, 1945	104	103¼	6.68
Finnish Guaranteed Municipalities S. F. Loan...	6½	Oct. 1, 1954	99	99	6.58
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	98½	98½	6.65
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	100	100	6.50
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	101	101⅜	7.46
Camaguey Sugar Co. 1st. Mtge. S. F. Loan.....	7	Oct. 15, 1942	101	101	6.89
Pennsylvania Dixie Cement Cumulative...	7	Pfd. Stock	98½	98½	7.11
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	97½	97½	7.18
Willys Overland Co.....	7	Pfd. Stock	94	94	7.45
The National City Bank of New York.....	20	Stock	686	705	2.84
Republic of Peru, Ext. Secured S. F. Loan...	7½	Sept. 1, 1956	102½	102	7.33

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, November 2, 1927

By Maitland, Fearon and Brand

Exchange:—A improvement of ⅜d. ready and $\frac{5}{16}$d. forward has to be recorded in the price of Bar Silver in London during the past week, today's quotation being 26½d. both ready and forward. The official T/T rate on London is 2/6½d. but business transaction are taking place considerably above this figue. The market throughout the week has been decidedly steady, imports and exports continue dull and business has been mostly of a speculative nature. At the close the market is steady with the following sates for Gold remittannes available:—T/T London 2/7d., New York 63, Yen 73¾ 4 m/s export paper can be placed:—Sterling 2/7¾d, G $ 64⅜.

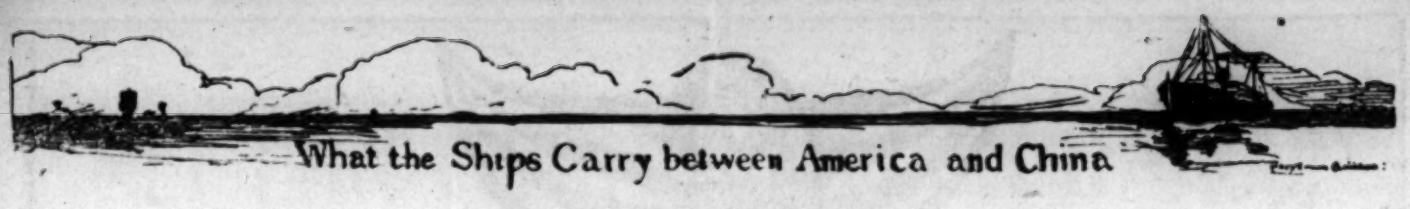
Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 65,580,000 a decrease of Tls. 207,000
Chinese and Mexican Dollars..... $ 78,800,000 an increase of $ 1,480,000
Estimated value Tls. 122,316,000 as against Tls. 132,059,000 held at this time last year.

	Average rates for Oct.	Thursday Oct. 27	Friday Oct. 28th	Satur. Oct. 29th	Monday Oct. 31	Tuesday Nov. 1	Wednesday Nov. 2
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/6.120	2/6½	2/6½	2/6½	2/6½	2/6½	2/6½
D/Dfts ,,	—	2/6 5/16	2/6 5/16	2/6 5/16	2/6 5/16	2/6 9/16	2/6 9/16
4 m/s ,,	—	2/6½	2/6½	2/6½	2/6½	2/6¾	2/6¾
T/T India	167.290	168	167½	167½	167½	169½	169½
T/T France	1,557,000	1565	1565	1565	1565	1575	1575
T/T N. Y.	61.095	61⅜	61⅜	61⅜	61⅜	61⅞	61⅞
T/T Demand		61½	61½	61½	61½	62	62
T/T Hamburg		257	257	257	257	259	259
T/T H'kong	79.490	79½	79½	79½	79½	79⅞	79⅜
T/T Japan	76.240	75⅞	75⅞	75⅞	75⅞	75⅛	75⅛
T/T Batavia	151.740	152	152	152	152	153¼	153¼
T/T Straits	92.390	92	92	92	92	91¼	91¼
Bk's buying rates 4 m/s B/L. Cred. D/A	2/8 120	2/8¼	2/8¼	2 8¼	2/8¼	2/8½	2/8½
4 m/s ,, D/P	—	2/8⅜	2/8⅜	2/8⅜	2/8⅜	2/8⅝	2/8⅝
6 m/s ,, B/L Cred D/A	2/8.432	2/8 9/16	2/8 9/16	2/8 9/16	2/8 9/16	2/8 11/16	2/8 11/16
4 m/s B/F Cred D/A or D/P	1,687.000	1695	1695	1695	1695	1705	1705
4 m/s N.Y.Lc.	64.490	64¾	64¾	64¾	64¾	65¼	65¼
4 m/s ,, Docs	—	65¼	65¼	65¼	65¼	65⅝	65⅝

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Oct. 27	Oct. 28	Oct. 29	Oct. 31	Nov. 1	Nov. 2
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	25 13/16	25 13/16	25⅞	25⅞	26 1/16	26⅛
**New York Price of Bar Silver per oz. (Pure)	G. $.56½	G. $. 56½	G. $. 56⅜	G. $. 56½	G. $. 56⅝	G. $.56⅞
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	Tls. 367.20	Tls. 367.20	Tls. 365.80	Tls. 365.80	Tls. 361.00	Tls. 361.00
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110.00	110.00	110.00	110.00	110.00	110.00
Shanghai Mexican Dollars per $100.....	72.95	72.80	72.875	72.925	73.075	72.90
Native Bank Rate of Interest (Call money).....	1%	1%	1%	2%	1½%	1½%
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.04
Bank of France rate of discount	5%	New York on London	T/T 486⅛
London open Market of Dis. 3 m/s	4⅜%	Bombay on London	T/T 1/5 1/16
,, 4 ,,	4⅜%	Hongkong on London	T/T 2/
,, 6 ,,	4⅜%	Kobe on London	T/T 1/10 31/32



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls., Nov. *Customs Rate Tls. 1.46 equal Gold $1*

PRESIDENT LINCOLN,

September 23.

To Chicago.

Tea, Black, Congou: other Ports	Pls.	41
Tea, Green: Young Hyson, other Ports	,,	39
Gunpowder, Ningpo.	,,	76
Cotton Handkerchiefs	Doz.	2,000

To Baltimore.

Carpets	Hk. Tls.	1,873

To Buffalo.

Silk, Raw, Steam Filature: White, Shanghai Bls. 109	,,	188.81

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 15	,,	14.99
White, other Ports Bls. 11	,,	11.00
Silk, Raw, Re-reeled: White, other Ports Bls. 35	,,	35.94
Silk, Waste: Shanghai....Bls. 20	,,	65.63
Other Ports Bls. 8	,,	26.28
Cotton, Waste	,,	98
Brassware	,,	10
Bristles	,,	27
Egg Albumen, Dried	,,	84
,, Yolk, Dried	,,	325
Skins, Dog Pcs.		1,814
,, Mole,	,,	700
,, Rabbit	,,	15,000
Rugs, Chinese....Hk. Tls.		1,997

To Seattle.

Egg Whole, Dried....	Pls.	321
,, ,, Frozen	,,	983
Egg Yolk, Moist....	,,	51
,, ,, Dried....	,,	53
Oil, Wood	,,	4,561
Carpets Hk. Tls.		2,225

To Hoboken.

Silk, Raw, Steam Filature: White, Shanghai Bls. 45	,,	44.80
Silk, Raw, Re-reeled: White, other Ports Bls. 30	,,	30.74

To St. Louis.

Tea, Green: Young Hyson, other Ports	,,	39
Gunpowder, other Ports	,,	352

To Shamokin

Silk, Raw, Steam Filature: White, Shanghai Bls. 168	,,	168.50

To Cincinnati.

Tea, Green: Young Hyson, other Ports	,,	108
Hyson, other Ports	,,	93

To Boston.

Silk, Waste: Shanghai .. Bls. 3	Pls.	9 07
Other Ports..Bls. 40	,,	14.96
Hides, Cow	,,	102

To Huntingdon.

Silk, Raw, Steam Filature: White, Shanghai Bls. 40	Pls.	39.44
White, other Ports Bls. 20	,,	20.00

To Houston.

Hair, Human	,,	103

To Philadelphia.

Wool, Sheep's	,,	115

To Charleston.

Hair, Human	,,	91

PRESIDENT CLEVELAND,

September 29.

To Honolulu.

Silk Piece Goods	Pls.	0 64
Silk Pongees, Shantung	,,	0.69
Brassware	,,	6
Chinaware, Fine	,,	1
,, Coarse	,,	4

To Hoboken.

Silk, Raw, Steam Filature: White, Shanghai Bls. 15	,,	14.95

To San Francisco.

Silk, Piece Goods	,,	3.65
,, Pongees, Shantung	,,	2.47
Books, Printed	,,	6
Chinaware, Fine	,,	5
,, Coarse	,,	6
Brassware	,,	158
Egg Albumen, Moist	,,	638
Woodware	,,	25
Tea, Green, other Kinds	,,	9
Tea, Black, Congou, Hankow	,,	196
Tea, Black, other kinds, Hankow	,,	203
Tea, Green: Gunpowder, Ningpo	,,	72
,, other Ports	,,	3
Young Hyson, other Ports	,,	43
Hog Casings	,,	23
Oil, Wood	,,	4,500
Intestines, Pig	,,	77
Carpets, Woollen Hk. Tls.		2,841

To Menphis Town.

Rugs, Woollen Pcs.		10

To Los Angeles.

Tea, Green: Gunpowder, Ningpo.	Tls.	46
Brassware	,,	30
Egg Albumen, Dried	,,	91
Feathers, Duck	,,	15
Woollen Carpets....Hk. Tls.		530

To Philadelphia.

Chinaware, Fine Pls.		13
Wool Sheep's	,,	552
Woollen Rugs Hk. Tls.		609

To Charleston.

Hair, Human	Pls.	76

To Houston.

Hair, Human	,,	89

To Baltimore.

Bristles, Assorted	,,	99

To Panama City.

Brassware	,,	6

To Boston Mass.

Silk, Waste, Filature: Long, Shanghai Bls. 3	,,	10.01

To Lyon New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 25	,,	24.98

To Buffalo.

Silk, Raw, Steam Filature: White, Shanghai Bls. 60	Pls.	60.45

To Huntingdon.

Silk, Raw, Steam Filature: White, Shanghai Bls. 5	Pls.	4.99

To Shamokin.

Silk, Raw, Steam Filature: White, Shanghai Bls. 80	Pls.	80.46

To St. Louis.

Tea, Green: Young Hyson, other Ports	,,	7
Scented, other Ports	,,	5

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 95	,,	95.27
Wild, other Ports Bls. 160	,,	162.88
Silk Cocoon Strippings, Waste: Shanghai....Bls. 19	,,	61.19
Silk, Raw, Re-reeled: White, other Ports Bls. 45	,,	45.64
Silk Piece Goods	,,	2,53
Silk Pongees, Honan	,,	15.90
Brassware	,,	89
Feathers, Fowl	,,	10
Egg, Yolk, Dried	,,	694
Egg Albumen, Dried	,,	33
Intestines, Pig	,,	59
,, Goat	,,	6
Rhubarb	,,	50
Antimony, Regulus	,,	420
Hog Casings	,,	12
Soapstoneware	,,	28
Rags, Chinese ....Hk Tls.		462
Woollen Carpets....	,,	734
Carpets, Tientsin	,,	1,288
Skins, Sheep, Tanned Pcs		860
,, Moufflon, ,,	,,	1,640
,, Rabbit, Untanned	,,	7,450

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—While prices in general during the early part of the week intimated a weaker undertone, a somewhat firmer tendency ensued at the close, which is attributable to the sharp reactions in Mid-Americans, owing to the U. S. Census Ginning report on the 25th., instant being construed bullish.

As to trade conditions, the demand for actual cotton has not been as active as was expected. The demand on the part of local spinners has been of a very sparing nature, and absorptions were only on a hand-to-mouth basis to meet pressing requirements.

Looking at the situation broadly, we expect the ultimate course of prices to be upward, though in a speculative market it would be imprudent to ignore the possibility of a temporary turn in the tide, but taking into consideration the various factors, one cannot help but recognize present prices of the local staple being comparatively cheap. Owing to higher prices prevailing in India, Japan will naturally have recourse to taking in supplies from China, and unless considerable declines take place in Mid-Americans and Indians, we do not fear a heavy drop in the local market. Therefore, we could only advise our friends to take advantage of weak markets to buy, as the present outlook seems to offer no foundation for the expections of lower prices in the long run.

Yarn:—While our market during the early part of the week intimated a weaker tendency, a somewhat firmer undertone ensued at the close, which is attributable to the firmness evincing in the raw material. Business for export has been booked some 9,000 to 10,000 bales in all counts.

Liverpool:—

American-Middling	11.80
American-Middling last reported	11.29
Tone of the Market,	*Firm*

Indian Market:—

Fully Good Bengal, D./J.	331
Fine Oomra, D/J	366
Fully Good Broach, A./M.	400

Tone of the market—*Firm*

New York Market:—

Price of Mid-Amer.	21.15 Spot.
	20.73 Dec.
	20.82 Jan.
	21.01 Mar.
	21.13 May.
	21.00 July.

Tone of the market—*Firm*

Shanghai Market:—

	Tls.
Tungchow, O./N. exwharf	36.00
Shanghai, O./N.	34.00
M. Ginned, Spot	34.50
Shensi, No. 1 O./N./Dec.	36.00
Ningpo. Spot, Exwharf.	31.80

Tone of the market—*Steady*

Shanghai-Nanking Railway Abridged Time Table.

Main Line—Shanghai-North to Nanking.

UPWARD

STATIONS		Local	Fast	3rd & 4th Local	Express	3rd & 4th	Local	Fast	Local	Local	Local	Night Express
Shanghai North	dep.		7.00	7.20	8.50	9.05	12.15	12.40	14.20	16.10	18.10	21.30
Nansiang	,,		7.28	7.50	—	9.39	12.44	13.08	14.59	16.41	18.42	22.04
Anting	,,		7.49	8.19	—	10.10		13.30	15.30	17.03	19.07	—
Kunshan	,,		8.17	8.48	10.11	10.51		14.04	16.08		19.44	—
Soochow	,,		9.11	9.53	10.54	12.04		14.57	17.14		20.36	24.00
Wusih	,,	6.35	10.13	11.05	11.50	13.30		15.50	18.28		21.35	1.14
Changchow	,,	7.51	11.14	12.07	12.47	14.48		16.55	19.32			2.30
Tanyang	,,	8.58	12.16		13.40	15.58		18.00				3.35
Chinkiang	,,	10.05	13.10		14.23	17.09		19.00				4.40
Nanking	arr.	12.05	14.45		15.40	19.19		20.30				6.25

Main Line—Nanking to Shanghai-North.

DOWNWARD

STATIONS		Local	Local	Local	Fast	Express	Local	3rd & 4th Local	3rd & 4th	Fast	Local	Night Express
Nanking	dep.				7.05	9.10			9.25	12.30	16.35	21.30
Chinkiang	,,				8.46	10.46			11.40	14.30	18.54	23.43
Tanyang	,,				9.28	11.25			12.45	15.28	19.50	0.32
Changchow	,,		6.45		10.36	12.39		13.05	14.08	16.44	21.11	2.10
Wusih	,,	5.30	7.55		11.45	13.32		14.20	15.45	17.47	22.15	3.21
Soochow	,,	6.26	9.09		12.45	14.26		15.45	17.10	18.51		4.35
Kunshan	,,	7.19	10.13		13.32	15.03		17.10	18.24	19.42		—
Anting	,,	7.51	10.47		14.04	—	17.15	17.45	19.09	—		—
Nansiang	,,	8.15	11.12	13.15	14.24	—	17.37	18.09	19.40	20.31		6.06
Shanghai North	arr.	8.40	11.37	13.44	14.50	16.00	18.03	18.42	20.10	20.55		6.30

From the 25th May, 1927.

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Shanghai North to Zahkou DOWN — **Main Line** — Zahkou to Shanghai North UP

STATIONS		Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp. R	Local
			*	*	*	*	*	
Shanghai N.	d.		8.05	9.15	13.30	15.35	18.30	
Jessfield	d.		8.21	9.32	13.46	15.51	18.46	
Siccawei	d.		8.27	9.40	13.53	15.58	18.53	
Lunghwa J.	d.		8.40	10.02	14.07	16.14	19.05	
Shanghai S.	d.		8.15	9.30	13 40	15.45	18.40	19.35
Lunghwa J.	a.		8.34	9.49	13.59	16.06	18.59	19.54
Sungkiang	d.		9.20	11.00	14.53	17.08	19.45	
Kashai	d.		10.09	12.07	15.48	18.10	20.38	
Kashing	d.	7.40	10.40	12.49	16.23	18.35	21.10	
Yehzah	d.	8.25	11.14	13.40	17.03	(a)	21.44	
Changan	d.	9.18	11.49	14.32	17.44		22.19	
Hangchow	d.	10.34	12.45	16.00	18.55		23.15	
Zahkou	a.	10.50	13.00	16.25	19.10		23.30	

STATIONS		Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp R	Local
		*	*	*	*			
Zahkou	d.		7.15	9.05	13.35	15.25	17.45	
Hangchow	d.		7.40	9.40	14.00	15.51	18.10	
Changan	d.		8.32	11.05	15.06	17.03	19.02	
Yehzah	d.		9.03	12.03	15.43	17.46	19.33	
Kashing	d.	7.35	9.44	12.57	16.32	18.25	20.15	
Kashai	d.	8.06	10.08	13.35	16.59	(a)	20.41	
Sungkiang	d.	9.15	11.01	14.48	17.58		21.36	
Lunghwa J.	d.	10.11	11.41	15.53	18.47		22.16	8.41
Shanghai S.	a.	10.30	12.00	16.12	19.07		22.35	9.00
Lunghwa J.	d.	10.10	11.42	15.48	18.45		22.17	
Siccawei	d.	10.19	11.49	15.57	18.54		22.24	
Jessfield	d.	10.26	11.56	16.05	19.01		22.31	
Shanghai N.	a.	10.40	12.10	16.20	19.15		22.45	

Konzenchiao-Zahkou — (Kiangshoo Branch Line) — Zahkou-Konzenchiao

Konzenchiao	d.	7.05	9.30	11.45	13.50	17.30	21.50
Kenshangmun	d.	7.21	9.48	12.01	14.10	17.46	22.06
Hangchow	d.	7.38	10.00	12.12	14.23	18.03	22.18
Zahkou	a.	7.55	10.20	(a)	14.40	18.20	22.35

Zahkou	d.	8.15	10.35		15.10	18.35	22.55
Hangchow	d.	8.34	10.54	12.38	15.29	18.58	23.18
Kenshangmun	d.	8.46	11.06	12.51	15.46	19.11	23.31
Konzenchiao	a.	9.00	11.20	13.05	16.00	19.25	23.45

Note:—The four East Local Trains suspened running until further notice.
Trains marked with* are in connection with S.N.L. Trains at Shanghai North.
R—Restavrant.

MEI LAN FONG & GOLDEN DRAGON

THE TWO GREAT PILLARS OF OUR PRODUCTS.

THEY ARE GOOD SMOKES FOR A CONNOISSEUR AND PLEASANT GIFTS FOR HIS FRIENDS

梅蘭芳

白金龍

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吸之可增精
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妙之
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中國南洋兄弟
煙草公司出品

中華郵政特准掛號認爲新聞紙類

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STEEL

The Backbone of Civilization

Like many other arts, the knowledge or smelting and working in iron came from the East.

The extensive use of the celebrated "wootz," or steel of India, for the famous Damascus sword-blades is striking proof of the ancient civilization of India.

The hieroglyphics recording the civilization of ancient Egypt carved on their obelisks and temples of porphyry are supposed to have been made with tools of this same Indian steel.

The Roman colonists in Britain left the imprint of their civilization on England largely because they were the first makers of iron on any large scale in that country.

It was the "smith" or armourer in Saxon days who was, as it were, the rivet that held society together. He was a nail maker and horseshoer—made spades and hoes for the farmer, bolts and fastenings for the lord's castle, gates and chains for his drawbridge. The civilization of his time revolved around his ability to work in steel.

Today our travel on land, sea or by air depends on steel. Our skyscrapers, our watchsprings—our dreadnaughts, our motor-boats—our frontiers, our fences—our telegraph system—our pleasures and our protection—all depend upon steel.

Steel is the symbol of civilization. Hand in hand civilization and steel open and broaden the channels of intercourse among nations and aid in the establishment of that closer friendship among nations which is civilization.

United States Steel Products Co.

30 Church Street, New York, N. Y.

Sole Distributors for

CARNEGIE STEEL CO.
ILLINOIS STEEL CO.
AMERICAN STEEL & WIRE CO.
AMERICAN SHEET & TINPLATE CO.
THE LORAIN STEEL CO.
AMERICAN BRIDGE CO.
NATIONAL TUBE CO.
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MINNESOTA STEEL CO.
CANADIAN STEEL CORPORATION

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